THE FINANCIAL POST

The Canadian Newspaper for Businessmen and Investors

Largest Circulation of All Canadian Financial Papers

Vol. XXXI — Member of Audit Bureau of Circulations — PUBLICATION OFFICE: TORONTO, MARCH 20, 1937 — 10c a Copy; $5.00 a Year — No. 12

The Nation's Business

Provinces Proud of Record in Budget Balancing

C. N. R. Loss Is Over $90 Millions

Labor Agitators Not Needed Here

Industry Willing to Accept Plan for Minimum Wages

Immigration and National Security

Provinces Vie For Budget Honors

Telegram from Halifax, N. S.

Editor, The Financial Post:

"Your editorial March 13 states Ontario has given Canada first balanced budget since depression and cartoon page six sets forth same idea. My sincere congratulations go to Hepburn for splendid showing but would point out that on March 9 I was able to present public accounts of Nova Scotia for year ended Nov. 30, 1936, showing surplus first time in 13 years. British Columbia also, I believe, showed surplus for its last financial year."

ANGUS L. MACDONALD,
Premier and Provincial Secretary-Treasurer, Province of Nova Scotia.

* * *

THE above telegram was received by The Financial Post this week. On the same afternoon that Mr. Hepburn reported a $7,350,000 surplus in the accounts of the Province of Ontario, Mr. MacDonald presented to his Legislature the accounts of Nova Scotia showing a surplus of $162,000 current account.

As Nova Scotia's books closed on Nov. 30 last and Ontario's do not close until March 31 the race to balance the provincial budget would seem to have been won by Nova Scotia.

* * *

THE reason why The Post awarded the palm to Ontario and not to Nova Scotia or British Columbia is that Ontario was the first province to show a real surplus after absorbing costs of unemployment relief. British Columbia's surplus was creditable; but unemployment relief charges were capitalized instead of being charged up to current operations. Nova Scotia's surplus is equally creditable. But the surplus of $151,718 left out of account those items that on a conservative accounting basis ought to be charged to current expenses:

Direct relief	$71,529
Administration	22,410
Seed distribution	1,063
Contributions to municipal works	80,140
Total relief, not including capital expenditures	$175,142

In his budget address the Premier said:

"The borrowings for relief purposes have been made out of capital as in the case of nearly all other provinces. There was no other way in Nova Scotia to deal with relief except to borrow the amount required for relief purposes."

* * *

THESE are the facts and we leave it to our readers to decide according to their own views of public accounting which province first reported a balanced budget. The Financial Post does not intend to pursue the cinder track metaphor any farther. It prefers to congratulate both Nova Scotia and Ontario on what they have done, and some of the other provinces as well for the notable achievements that they too are making in reducing expenditures. Nova Scotia spent $222,000 less than it budgetted to spend. This indicates careful control by the Cabinet of outgoing moneys.

The prospect for the taxpayer is promising when our premiers and treasurers take more pride in balancing their budgets than in spending freely to bribe the taxpayers with their own money.

What the budget-balancing provinces are doing is a challenge to all governments in Canada; a challenge to get into sounder financial habits and then to adhere to them. Each of these provinces should be able to do much better next year. Each should aim to build up a debt-reducing surplus, not simply as a result of increasing revenues, but by budgetting for reduced expenditures and keeping well within those budget limits.

* * *

Another $92 Millions Lost on Railways

CORPORATION reports for 1936 make cheerful reading. They tell of better business conditions across the Dominion. Purchasing power has gone up and, with greater confidence, the people are spending more freely. The report of the Canadian National Railways likewise emphasizes the improvement, but with this difference—the taxpayers are called upon to make good a deficit of $92.3 millions. Of this sum $43.2 millions represents the net loss after providing for operating charges and interest on the debt held by the public; $36.4 millions covers interest on Dominion Government loans and the balance net debits on various bookkeeping items. Admittedly this is a better showing than was made in 1935, when the net loss was $115.3 millions, and for that the management is to be congratulated. But how long can the Dominion con-

(Continued on page 2, col. 3)

Canada May Invoke Combine Provision Of the Trade Treaty

Preference on British Glass May be Suspended

PRICES ARE HIGH

Possibility that the combine clause of the new Anglo-Canadian trade agreement may be shortly invoked by Canada is seen in the failure of the suspected international glass cartel to reduce prices to Canadian consumers, following reduction in the tariff as a result of the pact.

The glass cartel was openly denounced some months ago by Canadian automobile manufacturers in representations made before the Tariff Board at Ottawa. Subsequently the margin of preference to U. K. on plate glass was reduced from 25% to 20% in the newly-signed Anglo-Canadian pact and this was implemented by duty reduction on foreign glass. But British and foreign glass makers still maintain their prices, it is claimed, at the "cartel" level, which remains the same to Canadian purchasers as it did before the preference was lowered.

Most items of plate glass enter Canada free from U. K., but it is alleged that due to the operation of the cartel, Canadian orders are not supplied by Britain but are distributed among European producers.

One curious result of the reduction in duty has actually been to increase the cost of glass to fabricators who use this glass in the production of automobiles. The glass is still charged at the same price, but there is a substantial drawback when the glass is used in further production, and this drawback is less now that the intermediate tariff rate is lower. This is seen as proof of the viciousness of the cartel system in the case of a small importing country such as Canada.

The clause of the Anglo-Canadian pact that may be invoked as a result of this situation is article 10 of the agreement which gives either Government the right "to suspend or modify the preferential margins in the agreement if after enquiry it appears that a predominant share of the trade in such item is controlled by an organization or combine of exporters and that by virtue of the guaranteed margin that organization or combine is exercising this control to the prejudice of consumers or users of the goods in question."

Pact Retained By Australia

Ottawa Thinks Trade Treaty To Be Continued

From Our Own Correspondent

OTTAWA.—The Australian trade treaty of 1931 will be continued on practically the same basis as before, officials here believe. Hon. W. D. Euler, Minister of Trade and Commerce, who went to Australia to discuss the treaty, which was proving unsatisfactory to the Australians because of the mounting adverse trade balance, has been able to satisfy the Government there that the trend of trade figures is one which cannot be altered materially by tariff adjustment, but arises out of the nature of the trade movement.

Some minor concessions have been granted to Australia as a consideration for continuing the treaty, it is believed The agreement, signed in Aug., 1931, was to run three years certain. At the expiration of that time it could be denounced by either party, but not until after a notice of six months had been given.

Neither country has officially notified the other that it wishes the trade agreement to terminate, and the view here is that it is likely to continue in its present form for another year or two at least.

Bankruptcy Lifted From Price Bros.

From Our Own Correspondent

MONTREAL.—Price Bros. & Co. was officially released from bankruptcy on March 18, just 23 days short of four years since the company was declared insolvent. In the interval many groups sought to secure control. Finally, interests closely associated with enterprise brought about an internal reorganization of the company, though in order to do so it was necessary to raise several million dollars of new capital.

Coming In The Post

For 15 years one of the most important feature issues published by The Financial Post has been the annual review of power and public utility securities. The 1937 issue is particularly timely in view of important political events (as for example in Quebec) which have a vital bearing on this industry.

This feature will appear in next week's Post.

Other important subjects scheduled for discussion in early issues of The Post include a full-dress discussion of Canada's defense problems and plans, and a special study of the spectacular increase in commodity prices which is reaching into every phase of business and domestic affairs

The second article in the special Post series on "Profit Possibilities for the Investor" will, of course, appear next week.

Automobile Rates Are Increased 5%

The Canadian Underwriters' Association has announced a complete revision of automobile insurance rates, to be effective immediately throughout the Dominion. The net average change in rates under the new schedules is an increase of somewhat less than five per cent for motorists taking a comprehensive policy. The new rates will apply on renewals and on new policies.

Details of the revision will appear in next week's Financial Post.

Dip Recorded In Earnings Of Insurers

Life Companies Report Lower Yields on Total Assets

Interest earnings of most life insurance companies receded to new low ground in 1936, according to figures compiled by The Financial Post from reports of a majority of Canadian companies.

According to the Post's analysis, based on returns from 26 companies, the average rate earned on total assets in 1936 was 4.53% compared with a corresponding figure of about 4.61% in 1935. Out of the 25 companies, only four—Sun Life, Maritime Life, Excelsior Life and the Dominion of Canada General (Life Branch)—reported higher earnings than in the previous year.

Significance of the 1936 figure becomes apparent when earnings rates for the past five or six years are compared. Strictly comparable figures are not available but a close parallel is found in comparative figures prepared each year by the federal insurance department. Latest figure published by this department is that of 4.59% for 1935, which is the "average rate earned on mean net ledger assets." The corresponding Post figure in that year was 4.61% which is a similar computation on the basis of "total" assets.

Insurance department averages over the past six years show a peak earning rate of 6.48% in 1929. On a comparable basis it is evident that the 1936 average as compiled by The Post and adjusted to fit the insurance compilation, will be about 4.51%, or almost exactly a full 2% less than in 1929.

On approximately $2 billions of assets this indicates a drop in interest earning power in 1936 of approximately $40 millions compared with 1929.

Average interest rates for intervening years as compiled by the federal insurance department are as follows: 1930—6.23%; 1931—5.59%; 1932 — 4.99%; 1933 — 4.70%; 1934 — 4.73%; 1935—4.59%.

Actual gross interest rates for individual companies for the past four years as compiled on the basis prescribed by the federal insurance department, follow:

INTEREST EARNINGS

Canadian Companies	1936 %	1935 %	1934 %	1933 %
Canada	4.26	4.55	4.76	4.90
Commercial	...	5.92	6.12	6.23
Confederation	4.85	5.00	5.18	5.33
Continental	4.66	5.15	5.38	5.47
Crown	5.38	5.54	5.77	5.81
Dominion	4.36	4.84	5.03	5.46
Dom. of Can.	5.23	4.95	4.97	4.97
Eaton Life	4.86	5.17	5.18	5.41
Empire	4.53	4.69	4.86	4.86
Excelsior	5.11	5.00	5.31	5.36
Great West	4.23	4.73	4.90	5.41
Imperial	4.72	4.86	5.31	5.36
London	5.22	5.45	5.46	5.66
Manufacturers	4.70	4.87	5.14	5.07
Maritime	5.50	5.25	5.40	5.23
Mutual of Can.	4.81	4.95	4.98	5.22
Monarch	5.30	5.90	6.30	6.10
Montreal	5.25	5.26	5.51	5.54
National	4.55	4.62	4.99	5.63
N. American	5.17	5.28	5.24	5.38
Northern	4.85	5.20	5.14	5.31
Equitable of Canada	4.75	4.87	4.85	5.44
Sovereign	5.35	5.72	5.38	4.52
Sun	4.29	4.11	4.06	4.08
Western	5.34	5.47	5.46	6.12
West. Empire	5.94	...	6.00	6.48
Sauvegarde	5.11	5.35	5.48	5.70
Saskatchewan	...	4.85	3.38	6.30
U.S. Companies				
Aetna	3.96	4.03	4.08	4.38
Metropolitan	4.09	4.08	4.42	4.70
New York	...	4.62	4.34	4.91
Prud. of Amer.	...	...	4.71	4.97
British Companies				
Prud. of Eng.*	4.96	4.96	4.75	5.13
Royal	3.65	...	4.11	4.52
Standard	5.09	5.08	5.14	5.21

*Ordinary branch funds.

Railway Strike May Be Averted

From Our Own Correspondent

MONTREAL. — Following completion of the "strike" ballot of more than 117,000 employees affected by the rail wage dispute, union leaders and officials of the railways are expected to meet soon for the purpose of endeavoring to arrive at a compromise. Rather than use the power given to them by the ballot to call a strike, it is now believed that the union leaders are willing to accept a return of 5% of the 10% wage deduction on condition that the remaining 5% be returned in 1938. Under the terms of the majority report of the Conciliation Board, which was accepted by the railways, the men were assured of no more than 3% of the deduction returned to them this year.

Simpsons Ltd. To Liquidate Pref. Arrears

Proposes Also to Reduce Dividend Rate to 5%

TO ISSUE STOCK

Liquidation of arrears of dividends on Simpsons Ltd. present 6½% preference stock and reduction of the dividend rate to 5% is proposed by C. L. Burton, president, in a letter to shareholders accompanying the annual report.

In consideration of wiping out arrears of $21.50 a share on the 112,500 shares of preference stock, which total $2,418,750, and of accepting a lower dividend rate, the company proposes to issue one-half a share of class "A" stock and one-half share of class "B" stock for each preference share held. This gives the preference shareholder one vote for each share now held and an opportunity to benefit from any future increase in earnings.

Market Value $23½

At the present time the class "A" stock is selling at $34 a share and the class "B" stock at $13 per share, so that preference shareholders will be receiving junior securities with a present market value of $23.50, compared with arrears of $21.50. The class "A" stock carries a non-cumulative dividend of $3 a share. After payment of $3 a share in any year on the class "B" stock, both classes share equally in any additional distributions. Dividends on the class "A" stock were paid at the rate of $2 a share from Nov. 1, 1929, to Aug. 1 1931.

Dividends on the preference stock were paid in full to Feb. 1, 1932. In the year ended Jan. 2, 1935, $2 a share was paid and $4 a share in the two subsequent fiscal years.

Earnings Higher

Earnings of the company on its preference stock in 1936 were equivalent to $6.19 a share, compared with $4.15 a share in 1935. If the dividend rate on the preferred in 1936 had been 5% rather than 6½%, then the full preference dividend would have been earned and there would have been a surplus available for the class "A" stock of $135,259. As it was, net profit was $31,500 short of meeting dividend requirements.

At the present time Simpsons Ltd. has 112,000 shares of both class "A" and "B" stock outstanding. If the scheme of arrangement for the preference shares is approved, the amount of class "A" and class "B" stock outstanding will be increased to 176,250 shares each.

The scheme of arrangements will be submitted to shareholders at the special and annual meetings to be held April 8.

For details of annual report see page 2.

Investor's Index

MINES AND OILS

Astoria Rouyn . . 31
Aztec Gold . . . 31
Big Missouri . . 31
Bralorne . . 29, 32
Buffalo Ankerite 32
Bobjo Mines . . 30
Bulolo 29
B. R. X. Gold . . 31
Chukuni R. L. . 31
Colonial Gold . . 27
Commandor . . 29
Diamond Queen 32
Cariboo Gold . . 29
Doreva Gold . . 30
Dorval Siscoe . . 30
Dome 31
Dunford Rouyn . 32
Eldorado . . . 31
Flin Flon Gold . 30
Golden Gate . . 30
Gold Eagle . . . 31
Goldstream Mng. 32
Gurney Gold . . 30
Gunnar Gold . . 31
Highland Enter. 32
Hollinger . . . 31
Hedley-Amal. . 31
Howey 31
Hudson Bay M. . 4
Int. Nickel . . 4, 32
Indian Mines C. 30
Island Mtn. . 29, 30
J.-M. Consol. . . 32
Katherine Lead . 32
Kirkland Lake . 31
Kirgood Gold . . 30
La Sarre Gold . 31
Lancour Mines . 30
Lar-Add Mines . 32
Lake Shore . . . 31
Lochgold Mines . 32
Macassa 31
Mace Gold Mines 32
Madsen Red L. . 31
MacDonald M. . 30
Marmora Miner. 32
McIntyre-Porc. . 31
McCuaig R. L. . 31
Ministik Gold . 32
Mooshla Gold . . 31
Montmorr Gold . 32
Naybob Gold . . 31
New Rouillard G. 32
Noranda . . . 4, 32
North Deloro M. 32
O'Brien 31
Panamint Malar. 32
Pickle Crow . . 31
Pioneer 29
Placer Develop. 31
Pato Consol. . . 29
Porc. Whitney . 31
San Antonio . 30, 31
Sarmac Gold . . 31
Shaver McGarry 32
Sheep Creek . . 31
Siscoe . . . 30, 31
Sladen-Malartic 5
Teck-Hughes . . 31
Thomas Ogden . 32
Toburn . . . 30, 31
Triple Lake Porc. 32
Twin Mac Gold . 27
Vulcan Oils . . 27
Woco Gold Dev. 32
Wright-Harg. . 31

INDUSTRIALS AND UTILITIES

Abitibi 4, 9
Acadia Sugar . . 15
Aluminum Co. . 8
Assoc. Tel. & T. 20
Asbestos Corp. . 25
Associated Brew. 5
Bank of Canada 28
Bank of Comm. 28
B. A. Oil 4
B. C. Pulp . . . 25
Bk. of Montreal 28
B. F. Goodrich . 15
Brandram-Hend. 9
Borden Co. . . . 15
Brewers & Distil. 8
B. C. Telephone 21
Burns & Co. . . 4
Br. Candn. Trust 25
Can. Industries . 23
C. Westinghouse 25
C. N. (W. I.) S.S. 25
C. G. M. M. . . 25
Canada Paper . . 15
Com. Int. Corp. . 25
Corrugated Pap. 25
Consumers Gas . 14
Corr. Paper Box 4
Comm. Alcohol . 4
Can. Steamships 8
Can. Cottons . . 26
C. N. R. 1, 8
C. P. R. . . 8, 16, 27
Can. P. & P. Inv. 9
Chas. Gurd . . . 9
Can. Inves. Fund 9
Can. Converters. 9
City Gas & E. . 8
Consol. Bakeries 15
Cooksville Co. . 15
Dominion Bonds 9
Dom. Coal . . 4, 22
Dom. Foundries . 15
Dom. Steel & C. 27
Dom. Textile . . 7
Dominion Tar . . 4
Dom.-Scottish . 9
Dom. Woollens . 9
Donnacona . . . 9
Dunlop Tire . . 15
Enamel & Heat. 25
Eastern Lt. & P. 8
European Elec. . 27
Fanny Farmer . 9
Fire Ins. Co. Can. 26
F. N. Burt . . . 15
Farmers Dairy . 9
Goulds Pumps . 4
Gen. Steel Wares 9
G. Weston 4, 23, 25
Gleneagles Inv. . 15
Great-West Life 26
Hamilton Cotton 15
Holt, Renfrew 4, 25
Hinde & Dauch. 9
Humberstone Sh. 4
Imperial Bank . 28
Int. Metal Ind. . 9
Inter. Power . . 9
Int.-City W. Bak. 16
Imperial Oil . . 9
Int. P. & Pwr. 4, 25
Internat'l Loan . 25
Inter. Pete. . . . 9
Interprov. Brick 13
Jam. Pub. Ser. . 8
Jones Bros. . . . 2
Keefer Realty . 15
London Realty . 15
Lumbermen's C. 26
Massey-Harris . 27
Melcher's . . . 9
Mexican Light . 8
M. L., H. & P. . 6
Mersey Paper . . 25
Montreal Apts. . 9
Maritime Tel. . . 22
Montreal Cottons 16
Mtl. Engineering 7
Nova Scotia St'l 30
National Brew. . 6
N. B. Telephone 15
Ottawa Valley . 9
Power Corp. . . 22
Page-Hersey . . 22
Premier Trust . . 16
Pressed Metals . 25
Protective Assoc. 26
Paramount . . . 4
Provincial Bank 28
Pressed Metals . 4
Regent Knit. . 4, 15
Steel of Canada . 4
Simpsons . . 1, 2, 4
Sec. Can. Int. Tr. 28
Shawinigan . . . 6
H. Smith Pap. 8, 15
Monarch Life . . 26
South. Can. Pwr. 2
Stock Ex. Bldg. 5
Steel of Can. . 9, 25
Tamblyn Ltd. . 15
Thayer's 9
Trinidad Elec. . 23
Trinity Bldg. . . 15
U. S. Fidelity . . 26
Walkerville Br. . 9
Westchester Fire 26
Winnipeg El. 3, 8, 9
Walker's 4
Wings Ltd. . . . 4

QUOTATIONS

Bonds 24
Grain 29
Mines 24
Stocks 24

Highlights

Home Modernization

Transformation of old houses to new is speeding revival of building trades and employment.
Special section — Pages 10 to 14

Toronto Stock Exchange

Service to its members and to the investing public improved by new building to be opened March 20.
Special section — Pages 17-22

Profit Possibilities

A new series starting in The Financial Post to suggest a basis for an investment policy of today. Page 3

Future for Golds

New problems met by leading producers show need for analysis
Page 31

Widen Power To Investigate

Ontario Bill Allows Commission Probes on Suspicion

An amendment to the Ontario Securities Act introduced this week gives almost unrestricted investigating powers to the Securities Commission.

The bill would permit the Government to appoint any person to make investigations and would give such persons all the powers of the Securities Commission, and the Commission is empowered to investigate the affairs of any person or company to ascertain whether there has been or is likely to be committed "any criminal wrongful, fraudulent or improper act; any offense against the Securities Act; any act which may be unfair, oppressive, injurious, inequitable, or improper to or discriminate against any holder, prospective holder, purchase or prospective purchase of any shares or other securities of such person or companies."

The Commission may also investigate any alleged discrimination against "any creditor, prospective creditor or such person or company or other persons or companies otherwise beneficially interested in such person or company." The authority also extends to investigation of any act "whereby unfair advantage may be secured" over any person, company, the Government, any Government department or municipality.

Wage Dispute Seen Threat to Railways Of Expensive Bluff

Additional Expense Represents Price Canada Pays for Being in the Railway Business, Informed Sources Declare

From Our Own Correspondent

OTTAWA.—When the inside story of Canada's present railway wage dispute comes to be written, it will probably be found that the railway companies have been bluffed out of at least $4 millions in wages.

This represents the difference between what the Conciliation Board was first inclined to offer and what the men will probably get. It is the additional price Canada pays for being in the railway business, a highly placed observer informs The Financial Post.

Full restoration of the pay rates, cut by 10% in 1931, is being asked by the railway workers. This would cost the Canadian Pacific and Canadian National fully $18 millions this year in additional wages. Five per cent restoration, as now mooted, will, of course, mean half of this sum, or $9 millions.

Government Interference?

A Board of Conciliation has actually recommended an increase of 3% or $5.4 millions. But this offer, The Financial Post understands, was more than the majority of the arbitrators were first inclined to grant. Had not Dominion Government authorities prematurely indicated acceptance of something around the 3% figure, it is considered probable that the Board would have offered an increase equivalent to not more than $5 millions, or $4 millions less than the sum now suggested. Moreover, it is believed in many quarters, that had the Federal Government, owner of half the country's railways and direct employer of 50,000 railway workers, remained entirely aloof and expressed no hopes of greatly expanded revenue, such an award would have had a good chance of acceptance.

Any increase at this time, it is argued, is still not justified on the basis of increased earnings, a basis usually accepted by both labor and employers in ordinary industry.

Both main railways are earning considerably less than they were in 1931 when the original pay cuts were made. If a 10% cut was justified six years ago, then on the basis of present gross earnings a further cut and not an increase would be justified at the present time.

Comparable figures are as follows:

Railway Gross Earnings

	C.P.R. $ 000's	C.N.R. $ 000's
1936	138,562	186,610
1935	129,678	173,184
1934	125,542	164,902
1933	114,269	148,519
1932	123,936	161,103
1931	142,337	200,505
1930	180,900	221,770

The only difference in the situation from 1931 is that at present the tendency in gross earnings is higher, whereas six years ago it was definitely in the other direction. But the Conciliation Board award did not suggest that the 3% restoration be conditional on higher revenues. Railway workers were to get the 3% certain, and more if revenues warranted.

The arbitrators decided that some increase was desirable even if earnings were still below the 1931 level. There had been talk of a strike, though neither side really believed that anything as serious was threatened.

Doubt Strike Threat

The strike vote being taken at present is generally regarded as nothing more than a vote of confidence on the part of the workers in their union leaders. It is simply delegating full negotiating authority into the hands of the workers' representatives. Neither side, it is confidently believed, wanted to bring this matter to a showdown.

Allowing something for the fact that railways are public utilities, therefore factors other than revenue apparently must be taken into consideration. The Conciliation Board, however, considered it had gone far to meet any possible labor demands.

Indeed, The Post is informed that the hands of the arbitrators were more or less forced by the Government's ready acceptance in advance of tentative offers. It was at this point that the vulnerable position of the Canadian National became apparent.

The latter, of course, is owned by a government which is dependent for its life on votes. There are well over 100,000 railway workers of voting age and at least another 100,000 other votes represented among railwaymen's families. This is too big a block of political support for most governments to ignore entirely and particularly when that block is sufficiently concentrated in railway centres possibly to determine elections.

At any rate, The Financial Post is given to understand that the Government has no particular railway policy to offer at this time except that of hoping that prosperity will eventually end deficits. In the meantime, it is not going to take any steps that might antagonize a considerable bloc of population directly interested.

Uneconomic Settlement

With the Government half owner of the railways and apparently definitely sympathetic to one side in the dispute, an uneconomic settlement favorable to labor was assured and such it is believed will be finally forthcoming. With such a set-up, there was little encouragement to investigate charges that the whole flare-up in Canada was merely an offshoot of a railway settlement in United States, or to refute the argument that the restoration of civil service pay cuts justified railwaymen's claims.

The Financial Post is informed that the present agitation for a full restoration of 1931 wages largely originated in the United States. There the international union of railwaymen, having already secured full restoration, are getting ready to press for further claims. Not wanting to have Canada held up as an example of territory where wages had not yet been restored, it is said pressure was brought to bear on affiliated Canadian unions and much of the argument was supplied which led up to the present dispute. Incidentally, the recent raise in railway wages in the United States was accompanied by an increase in freight rates, but the Government has not yet suggested such a solution here.

In regard to restoration of civil service salaries, authorities at Ottawa point out that these never advanced to anything like the levels of wages paid by the railways, and even as restored at present there is no comparison in the two set-ups.

Equipment Orders

Another argument advanced by higher wage exponents was that both railways are now getting ready to spend millions on equipment, and the Canadian Pacific has just resumed dividend payments.

Here again politics is said to have bedevilled the situation. Actual increase in gross revenue, The Post is informed, would not justify any great expenditure for equipment, but if the railways are to continue to operate, something would have to be spent on modernization. In any case, the C.N.R. started it, so it is said, and the C.P.R. had to follow.

But all that the Canadian National had to do was to turn to the Government for its expense money. With the Canadian Pacific, the matter wasn't so simple. Money would have to be secured from the regular markets and with no dividends on the preferred stock for several years, this might prove a costly business. Recently the C. P. R. resumed partial dividend payments on its preferred stock.

National System Loss Set at $92.3 Millions

Refunding Helps to Reduce Interest on Public Debt

GROSS INCOME UP

From Our Own Correspondent

MONTREAL. — Canada's Government-owned railway cost the country less money in 1936 than in 1935, net loss for the system amounting to $92.3 millions, as against $115.3 millions in the previous year.

Net income available for interest charges last year amounted to over $8.9 millions, compared with $8 millions in 1935. Interest on the debt in the hands of the public declined during the year from $53.5 millions to $49.2 millions. This does not reflect a decline in the capital debt, but the lowering of interest charges consequent upon the refunding operation undertaken during the last two years.

Interest accrued but unpaid on the Government loans increased during 1936, as compared with 1935 from $35.9 to $36.4 millions.

Debits Influence Returns

In arriving at the net loss for the system, the final figure is influenced by a debit of $13 millions largely representing debits for retired road and equipment. This item had an even more important bearing on the returns for 1935 when it totalled $29.1 millions. Allowing for the difference in the increase in the debit for retired road and equipment, the showing for the past year was more favorable than in 1935.

Comparative figures of the income accounts for the past two years follow:

Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Operating revenue	186,610,489	173,184,501
Operating expenses	171,477,690	158,926,248
Net revenue	15,132,799	14,258,253
Less: Taxes, etc.	7,926,657	6,834,132
Add: Net hotel inc.	160,017	101,770
Misc. income	1,606,932	486,744
Net income	8,975,091	8,014,635
Less Lease rent	1,372,228	1,372,712
Int. due public	49,184,623	53,468,792
Other interest	206,802	182,125
Interest ref. loans	527,682	783,671
Debt discount	881,101	1,085,516
Net income deficit	43,197,346	48,878,181
Less: Adjusted cred.	360,890	641,795
Add: Adjusted deb.	13,045,708	31,095,626
Govt. loan int.	36,428,874	35,949,677
Net loss for system	92,311,038	115,281,689

Changes in Debt

The consolidated balance sheet at the end of last year shows relatively few changes. The unmatured long-term funded debt stands at $1,184 millions, as against $1,154 millions a year ago. Loans from the Dominion of Canada show a minor change at $1,252 millions. The deficit of profit and loss balance now amounts to $904.6 millions, compared with $856.3 millions at the end of 1935.

Among the assets, sinking fund shows a shrinkage from $11.9 millions to $504,053, reflecting the refunding operations carried out by the system. At the same time the discount on public debt has declined from $16.5 millions to $11.8 millions.

Highlights of the system's report follow:

Freight revenues increased during 1936 by $11.7 millions, or 8.73%.

Passenger revenue advanced $367,917 during 1936. There were 377,705 more passengers carried than during the previous year.

The system's tax bill during the year amounted to $9.7 millions. Of this nearly $7 millions was paid in direct taxes and the remainder in sales taxes added to the cost of materials purchased.

Nearly $39 millions of funded debt was called or matured during the year. The necessary funds were advanced by the Government and have since been repaid from proceeds of bond issue, or from sinking fund balance.

The system spent about $1.3 million on the treatment of ties during 1936, a decline of about $128,000 from the previous year.

Expenditures on bridges, trestles and culverts totalled $664,337, compared with $284,841 in 1935.

Capital expenditures on new equipment, or additions and betterments, amounted to about $8.4 millions, as against less than $1.3 million the year before.

C.N.R. issues guaranteed by the Dominion Government have a par value of $937.6 millions. This contrasts with $889.7 millions at the end of 1935.

Revenue freight ton miles in 1936 totalled 14,813 millions, compared with 13,508 millions in 1935.

Of every dollar received by the system last year, 8.11 cents was available for taxes, interest and other accounts. This compares with nearly 8¼ cents the year before.

Gain Is Steady In Carloadings

Carloadings, one of the most accurate barometers of general Canadian business, were up for the week and also the same period a year ago. Cattle and hog sales are running at a much higher level than in 1936.

Though newsprint production in February was down slightly from the previous month, it shows an increase of almost 25% above the same period of last year.

For details of Canada's business situation, with complete figures, see page 7.

Comparative figures follow:

Monthly	Feb.	—Change— From Prev. Period %	From Prev. Year %
Newsprint prod., tons	275,532	—4	+24
Sugar:			
Melt. & ship., lb.	22,026,102	+1	+ 8
Manufactured, lb.	20,934,196	—5	+ 0.8
Weekly:			
Car loadings, No.	47,345	+1	+ 4
Cattle sales, No.	13,883	+1	+38
Hog sales, No.	19,443	+6	+26

Newsprint Price Status Strengthens

Sharp Advance on Deliveries Next Year Appears Promising

OVERSEAS PRICE UP

From Our Own Correspondent

MONTREAL. — Forces are now working which will have an important bearing on negotiations to be entered into later on in the year covering contract prices on newsprint for delivery in 1938.

The Newsprint Service Bureau's report on production and shipments during January and February revealed an unusually large increase as compared with those of a year ago. These returns need to be interpreted, otherwise they are likely to be misleading. The companies engaged in overseas business have been building up their stocks at shipping points prior to the opening of navigation.

Publishers Use More

Setting up of these stocks accounts for a fair proportion of the increase. At the same time, however, American newspaper publishers report increased consumption. During January, the last month for which complete returns are available, members of the American Newspaper Publishers Association reported an increase of 16.8% in newsprint used as compared with the same month last year.

Newspaper advertising also indicates that consumption in the States this year is running well ahead of 1936. During January advertising linage was up 5%, while during February there was a gain of 13% over the same months last year.

Mills Nearing Capacity

Canadian newsprint mills are now working at their effective capacity and on the basis of present demand it is going to be nip and tuck for them to meet the American requirements to the end of the year. There is no actual shortage of paper, though in some instances deliveries are delayed.

This situation is causing concern to the A.N.P.A. newsprint committee, which strongly opposed a higher price for newsprint and thus kept down the number of machines in operation. Early last January the association sent a bulletin to all members urging them to discontinue their hand-to-mouth buying policy. Instead they recommended that the publishers estimate their 1937 consumption and order in equal monthly quantities in order to avoid the acute demand for paper in the late fall months.

Repeats Newsprint Warning

This week the association reiterates the necessity of taking additional deliveries during June, July and August, when paper consumption is at the low point for the year, in order to build up a supply for the heavy consuming months in the fall.

It has been clearly apparent for some time that the publishers' association recognizes that equipment now in operation can only take care of present needs and then only if deliveries are put on a more regular basis.

As already mentioned there is no actual shortage of newsprint, while the American demand for the balance of the year may be met without difficulty provided that deliveries are more regular and demand does not increase too rapidly.

So far there have been no real spot sales of newsprint. Individual bargaining between the publishers and manufacturers is going on all the time, but no new contracts have been made for 1938 deliveries.

Play Waiting Game

There is no indication of what price the Canadian manufacturers will seek for 1938 deliveries, but current discussion centres around a $5 per ton increase. Just when such an increase will be effective remains a moot question. Up to this time they appear to be playing a waiting game, knowing that all the factors are working in their favor.

For example the Scandinavian producers are now booking orders in the Argentine and Brazil for delivery in 1938 at £11 10s. This represents an advance of $20 a ton on the price the same producers were offering their tonnage at this time last year.

Canadian companies have turned down further deliveries in the South American market during 1937 at £10 10s. a ton.

Newsprint prices in the English market are strong. There is no particular change in the Australasian market, but in China and Japan newsprint is being currently offered at £12 to £15 a ton. The latter prices are especially significant as they are being made in open markets where cut-throat competition has prevailed.

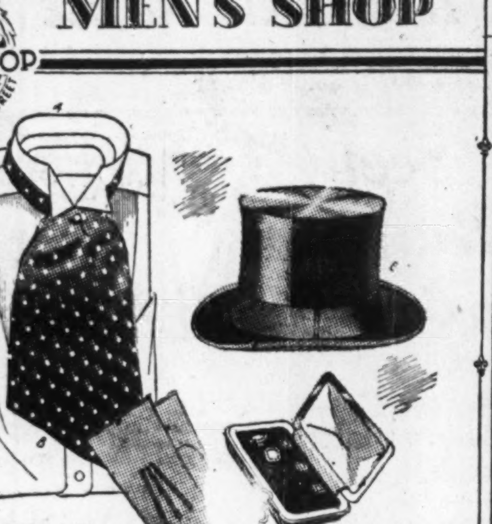
At present the delivered price in the United States market is $42.50 a ton, an advance of $1.50 a ton over that which prevailed in 1936.

Reasons for Optimism

While there has been no suggestion as to what the Canadian producers will consider a fair price for deliveries in the American market next year, events are shaping up to make the American publisher more willing, if he has any choice, to meet the demands of the manufacturers. The overseas markets are exhibiting signs of greater strength than has prevailed for several years. The supply for the American market is limited and there may possibly be difficulties in meeting demand this fall. In addition the cost of manufacture continues to increase. For example, bleached sulphite, which goes into the manufacture of newsprint, is now selling between $75 and $80 a ton, as against $50 a ton at this time last year.

Various guesses are being circulated as to what the American price is likely to be in 1938. The most modest figure suggested is $47.50 a ton.

MEN'S SHOP



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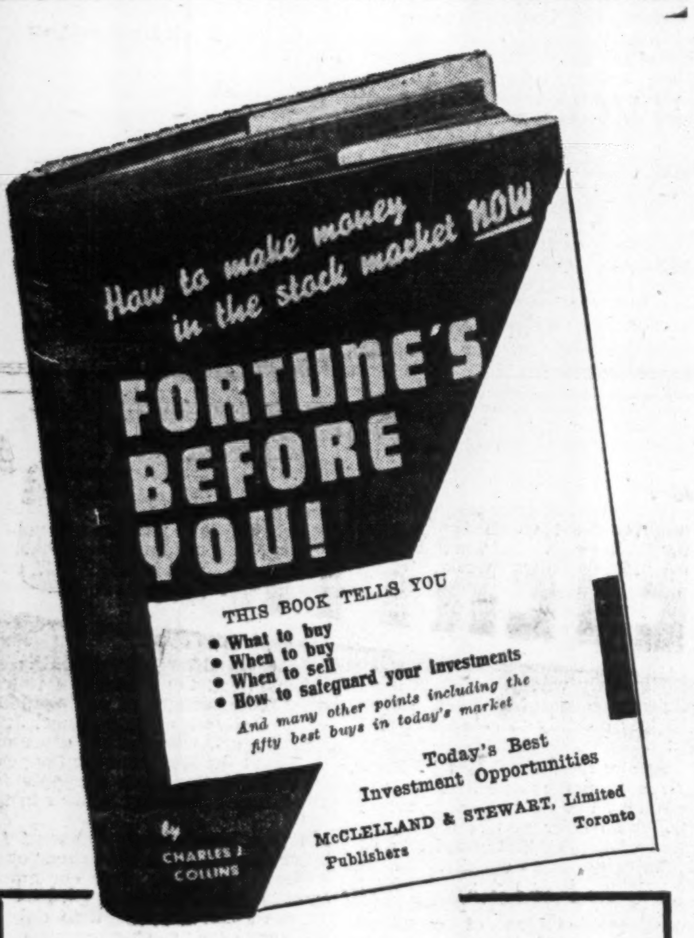
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The Nation's Business

(Continued from page 1)

tinue to pay a fancy price for the privilege of having a Government-owned system as at present constituted? Certainly not indefinitely!

It is not too late to consider the whole matter as a business problem and without the political bias which has influenced policies of the past. Consideration may show that essential services cannot be maintained without loss under present economic conditions, but there is no doubt that the loss can be reduced to such proportions as the country can afford to pay if the Government seriously applies itself to working out a solution.

* * *

Should We Import Labor Agitators?

AGAINST many undesirable imports of a tangible and material nature, Canada has erected barriers of tariff or prohibition. But against penetration of the national community and its industry by purely mischievous labor trouble, brought in from outside our borders by non-Canadian specialists in stirring up unrest, there appears to be little if any curb. Some measure of control over the entry and conduct, while here, of such individuals would appear to be in the best interests of Canada's industrial stability, of the independence and welfare of her workers. Labor's right to organize and to speak through its own spokesmen can never be questioned. Agitators of disorder travelling in the guise of accredited labor organizers cannot be regarded as accredited spokesmen of Canadian workers.

Canada has a variety of labor organizations, the chief groups consisting of branches of the international unions composing the American Federation of Labor and the purely national unions federated within the country. One would think that existing bodies afforded adequate facilities for protection of the interest of Canadian workers already organized or for creation of new units among unorganized workers where desirable or feasible.

* * *

IN RECENT months agents of the insurgent American unions linked with the Committee for Industrial Organization have moved freely into the Dominion to incite discontent and law breaking, and to attempt to build up auxiliary strength for C. I. O. unions among Canadian workers in some of the country's most important industries. Immigration regulations permit entry of accredited representatives of recognized international labor organizations, and in many cases the agents carried credentials as organizers for former A. F. of L. unions which, with branches in Canada, are genuinely international. However, virtually all of the C. I. O. emissaries have come in, not on the business of existing unions of international scope, but to spread the gospel of new unions formed since the C. I. O.-A. F. of L. split, and which (at the time of the agents' entry, at least) had no counterparts in Canada.

There should at least be some discrimination if not a definite bar in regard to the border-crossing of aliens aiming to make Canadian workers merely auxiliary dupes of an American class war. The C. I. O. campaign seems directed primarily at forcing United States industries to pay heavily, and to relinquish co-operation with their workers, as the price of industrial peace.

The underlying motive behind the C. I. O. upheaval is persistently reported to be promotion of John L. Lewis, C. I. O. head, as a United States presidential candidate. And behind the disturbances, the forces of Communism appear to be ranged, if not in alliance, at least in approving support.

* * *

Minimum Wages For Industry

CANADIAN business as a whole seems to have no general objection to the principle of minimum wages whether for men or women. When business improves as it is doing today, wage scales are invariably increased. In fact, wage scales are being increased throughout the country at the present time. But there are always a few forced laggards and a limited number of unscrupulous employers ready to exploit their workers. It is at this group apparently that the present wide measure now before the Ontario Legislature, is aimed.

* * *

THE real significance of Ontario's bill lies in the fact that any legislation resulting will probably be an example to other provincial governing bodies in Canada. This being so it is of vital importance that the bill should receive the widest possible investigation and endorsation by all interested parties before it finally becomes law. The most serious injury is liable to result if great care is not exercised to cover not only present conditions in regard to wage scales both in Ontario and in competing areas but also future changes that will undoubtedly occur.

It is obvious that the success of the proposed measure will depend almost entirely on the way it is administered. It is of paramount importance, therefore, that men of the widest practical experience be appointed to the all-powerful tribunal which is to be actually in charge of operations.

* * *

ON SUCH a tribunal will fall the responsibility for fixing wage scales for different industries and for different zones within Ontario. It will be a most delicate task. All sorts of unusual complications are certain to arise, the successful solution of which will depend absolutely upon the practicability of the administrators.

In addition there will always remain the problem of controlling wage scales without injuring labor or holding up the consumer. Competition from industries abroad and in other provinces where lower wage scales may operate will have to be met. A balance must be held between small and large manufacturing centres where living costs and production conditions may vary. And finally some fair relationship will have to be maintained between industrial and agricultural costs.

* * *

The Wheat Pools and Life Insurance

OBJECTION is properly taken to the proposal of the Saskatchewan Wheat Pool to engage in the business of life insurance. The project should be dropped either because of the good sense of the organization in question, or of the Saskatchewan Legislature, whose authority would be required.

Life insurance is a business of a very special nature, properly safeguarded by legal regulations, but requiring also to be administered in the trustee spirit, and with the benefit of all available technical knowledge. Giving people insurance at the lowest possible cost is a proper aim, but any attempt to give insurance at less than the proper cost is not a service but a disservice. Canada has seen many insurance schemes, which after a brief period of apparent success have proved to be bitter disappointments to surviving participants, who discovered too late that they had been living under a false sense of security, and that through age or illness they were no longer able to get adequate protection.

An insurance company would properly be forbidden by law to engage in the grain business or any other merchandising venture. With equal propriety it may be demanded that companies engaged in other lines of business leave the insurance field alone. Without keeping a line drawn between insurance and other lines of business it may still be possible to observe the letter of the laws which regulate insurance. But it is doubtful if their spirit can be observed.

* * *

National Security In Immigration

WHEN it is suggested that immigration is a factor in national security, those Canadians, who give no thought to the peopling of the unoccupied areas of this vast Dominion are apt to scoff. Yet only last week the Japanese delegate told the opening session of the raw materials committee of the League of Nations that immigration into the undeveloped territories of the earth must be allowed. Further he said that those nations which are sparsely settled or which have colonies could not blame those nations which lack room for expansion if they adopted imperialistic policies. Japan is not the only major country that holds this view. And when they speak of sparsely settled countries they are not overlooking Canada, the richest of them all.

Canadians must recognize this desire for more room by over-populated countries. The Dominion can best meet its inherent threat by policies which will convince the world that our resources are being developed on an adequate scale. The open-door policy on immigration cannot be tolerated at any time, but a great deal can be done to make it easier for people to enter the country. There is plenty of room for millions more people.

It is necessary that the Dominion should take full cognizance of international developments and lay down a progressive policy that will assure for this country the right type of settler and in such volume and at such time as the country is able to absorb them. The time to do that is now rather than to wait for pressure from outside to force upon us a hasty and ill-considered immigration policy.

Public Utility Earnings

Southern Canada Power
February

	1937	1936
	$	$
Gross revenue	184,907	174,126
Expenses	74,603	73,172
Net income	110,304	100,954
Interest, dep. & divds.	108,176	107,126
Surplus	2,128	*6,172
* Deficit.		
5 Months Ended February		
Gross revenue	956,418	909,805
Expenses	389,214	365,304
Net income	567,204	543,781
Interest, dep. & divds.	548,854	542,988
Surplus	18,350	793

Jones Bros. Plan Reduces Bonds

Holders of 6½% bonds of Jones Bros. of Canada, makers of store fixtures and barbers' supplies, will meet at Toronto on April 12 to consider a plan of capital reorganization.

The proposed plan gives bondholders over 80% of new preferred stock and all the new bonds. Holders of the old preferred receive the majority of new common stock.

The reorganization plan which is to be voted on at the meeting provides:

(1) A new company is to be formed under Dominion laws to take over the assets of the present company as at Nov. 30, 1936.

(2) Holders of the present issue of $257,800 of 6½% first mortgage bonds will receive for each $100 of bonds, $50 in new 6½% first mortgage bonds, five new preferred shares and two common shares of the new company.

(3) Holders of the present issue of $330,600 of 6½% preference stock would receive five new common shares for each preference share.

(4) For each of the present 31,517 no par value common shares one fifth of a new common share would be given.

Adjustment of Shares

Wherever distribution of common shares on the above basis would result in fractional shares, the company will purchase such fractional shares at a price calculated on the basis of $1 per common share of the new company.

As soon as the reorganization is completed 2,310 of the new preferred shares are to be turned over to a trustee. These preferred shares are to be distributed to employees of the new company as the directors may decide.

If the proposed reorganization is carried out, capitalization of the new company will be as follows:

	Authorized	Issued
6½% 20-yr. bonds	$128,900	$128,900
Pref. $10 par	$160,000	$152,000
Com. n.p.v. .....shs.	30,000	28,016

Jones Bros. of Canada has been unable to meet the sinking fund requirements on its present 6½% bonds since 1931. Interest payments due May 15, 1934, and later are in arrears. The report for the year ended Nov 30, 1936, is not available but the company reported losses for the three previous years.

Simpsons Ltd. Profits Show Improvement in '36

Business of Simpsons, Ltd., showed marked improvement in 1936, net profits for the year being equivalent to $6.19 a share on the 6½% preference stock. This compares with $4.15 in 1935 and $6.29 a share in 1934. Dividend requirements are $6.50 a share.

Current assets and current liabilities both show substantial increase, working capital declining about $170,000. Under current assets, inventories are $230,000 higher at $6.4 millions and trade accounts receivable $1.3 million higher at $6.9 millions. The increase in accounts receivable is due to larger Christmas trade which was not due for payment until after the fiscal year end. Under current liabilities, accounts payable are $1.3 million higher at $4 millions.

During the year there was an increase in capital assets of $340,697, due principally to the purchase of the McConkey Building, adjoining the Toronto store, and equipping it as a men's shoe store.

Depreciation provision was increased. Depreciation reserve now stands at $4,154,528.

Income and Surplus Account
Years Ended

	Jan. 6 1937	Jan. 8 1936
	$	$
Profit from operation§	2,519,382	2,095,063
Add: Inc. from invests.	17,765	27,953
Excess of par over cost of bonds redeemed	......	27,764
Net earnings	2,537,147	2,150,780
Less: Int. on 5% 1st mtge. bonds of R. Simpson Co. Ltd...	63,993	67,331
Divds. on pref. stock of R. Simpson Co. Ltd.	201,000	201,000
Int. on 1st mtge. & coll. trust bonds of Simpsons, Ltd. ...	552,941	602,904
Directors' fees	10,300	10,101
Tax reserve	303,325	169,520
Res. for bonuses & empl. savings and profit sharing fund & pensions	63,759	20,352
Deprec. reserve	627,969	597,860
Disc. & comm. on secs.	▲16,100	15,000
Net profit	697,759	466,712
Less appropriations:		
Preference divds. ..	450,000	450,000
Surplus for year	247,759	16,712
Add: Prev. surplus ...	1,221,011	1,208,742
Less: Pr. yrs. inc. tax, less res.	......	4,443
Bond expense w/o..	102,079	......
Balance forward	1,366,691	1,221,011

▲Underwriting and refunding expense written off.

§After deduction of remuneration paid solicitors and counsel and executive officers of $201,024 in 1936 and $189,038 in 1935

Working Capital

	Jan. 6 1937	Jan. 8 1936
	$	$
Current assets	13,695,281	12,292,424
Current liabilities ...	4,887,302	3,316,527
Working capital	8,807,979	8,975,897

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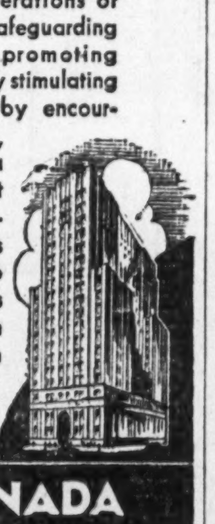

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Revision Is Forecast Of System of Pensions

Contending that abuses of the present system of old-age pensions in Canada are widespread, Finance Minister C. A. Dunning told the House of Commons this week that he believed centralization of the entire scheme in the hands of the Dominion Government would eventually be the only solution. It is understood the matter will be threshed out in the near future by federal and provincial authorities.

Chief suggestion being considered is that federal authorities assume, with consent of the provinces, full responsibility for administration. In this case, the Dominion might seek transfer of additional revenues to meet the higher cost. There is a possibility the scheme might be made contributory.

Minister Sees Big Jump In Base Metals Output

A gain of $50,000,000 in Canada's base metal output in 1937 to bring the year's production to a value of $160,000,000, is predicted by Hon. T. A. Crerar, Minister of Mines and Resources. The tremendous armament programmes of world powers will contribute largely to this remarkable development of the Canadian mining industry, it is believed.

Mr. Crerar points out that Canada supplies nearly 90% of the world's nickel requirements, from 8 to 15% of the lead, zinc and copper needs. In 1936 base metal producers paid dividends of $40,000,000 to the benefit of 125,000 people. Widespread interest has been aroused in the reopening of idle base metal properties in this country because of the advance in metal prices. In 1936 there were 10 base metal companies operating actively in Canada.

Saint John Records Gain In Export of Newsprint

From Our Own Correspondent

MONTREAL. — Newsprint shipments through the port of Saint John last February were approximately three times as large as for the same month a year ago. Heavy shipments have also featured the current month, but the excess in newsprint shipments over last year has been evident throughout the current shipping season.

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Small Loan Measures Are Passed by Senate

Two bills respecting small loan companies, particularly in regard to the maximum rate of interest they can charge on personal loans, have been passed by the Senate after a somewhat stormy passage, and are now up for consideration in the House of Commons. The rate asked in the bill respecting Industrial Loan & Finance Co. is a flat charge of not more than 2%. Central Finance Corp. proposes that the maximum for co-maker loans—made on the surety of endorsers—be only 1½%, while that in chattel loans be set at 2¼%.

Most of Industrial's business is in co-maker loans; Central Finance deals only in those made on chattel mortgage. The maximum rate in effect by these companies up to the present has been 2½%.

General Motors Extends Group Policy Benefits

Effective March 15, weekly sickness and nonoccupational accident benefits, payable under the General Motors group insurance policy will be increased from $10 to $14 a week. Cost of the additional benefits will be entirely absorbed by General Motors of Canada, Ltd. The plan now provides weekly benefits of $14 a week payable for 13 weeks for any one illness or nonoccupational accident.

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Profit Possibilities . . . *For Investors*

Stock Market Still Has Long-Range Promise—High Grade Bonds May Be Past Peak

By C. W. STOLLERY

THE problem of profitable long-range investment divides itself into two equally important aspects.

First it is necessary to have in mind the perspective; at least a rough picture of the general trend of business, of the bond market, and of stock prices.

Second it is necessary to particularize: as to trends of different types of business; and as to types of securities.

Constant study of the up and down trends of general business activity is a basic necessity for intelligent and profitable investment, because the state of business is the vital factor in influencing income from securities and also investment values.

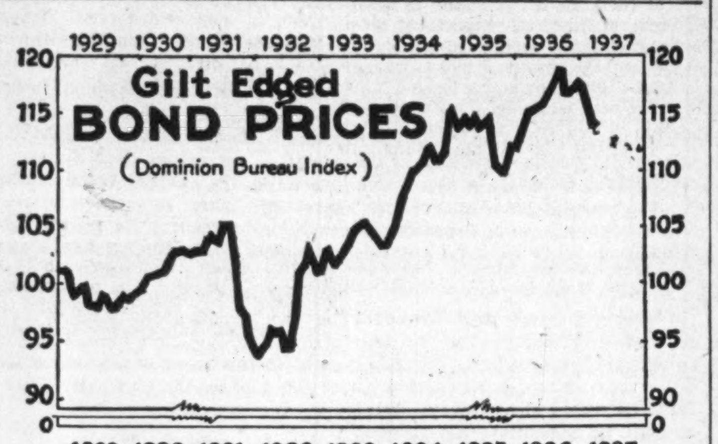
In Canada we are well on our way toward another peak period of prosperity. But it is still a period of economic recovery. It appears probable that the general improvement in business still has some distance to run.

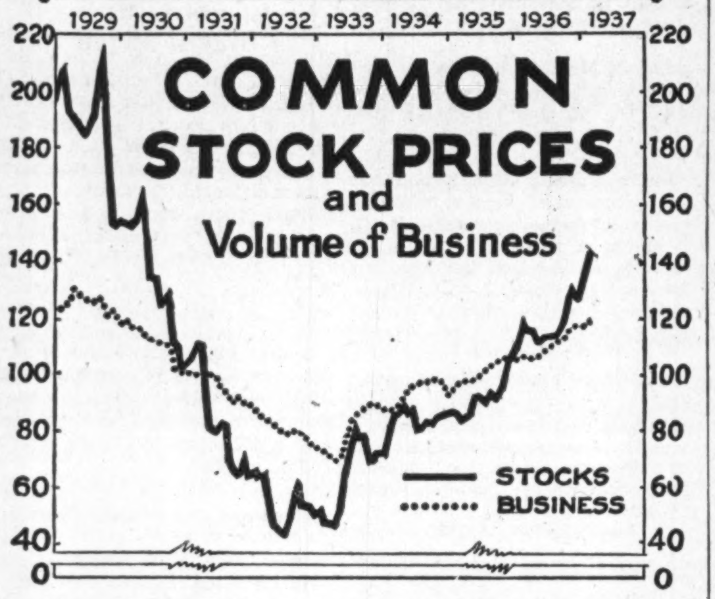
Given continuation of business recovery into a period of prosperity of some length, the long-range outlook for the stock market is good, whatever may be the dangers in the present year's booming market. It is probable that the general level of stock market prices will be higher two or three years hence than at present.

On two points the seeker after investment profits may do well to take warning:

1. The course of further business recovery is likely to be along considerably different lines from those in the 1933-37 period.
2. The securities likely to get the greatest benefit from further recovery are different from those that have enjoyed the most pronounced improvement in the recovery so far.

As a foundation for profitable investment in this year of recovery 1937, consider the position and prospects for both stock and bond markets.





Stock Market Trend

AVERAGE for Canadian stock prices dropped from 217.4 in 1929 to 43.2 in 1932, as measured by the Dominion Bureau index.

The total decline from 1929 to 1932 amounted to 174.2 points in the index. That was a decline of about 80% in the general level of the stock market.

Stock prices have been rising since 1932. The average has now risen well above 140. This is a recovery of about 100 points from the 1932 low. It wipes out nearly 60% of the whole decline from 1929 to 1932.

Putting it another way, the stock price average is now about 65% of the 1929 peak. Prices have risen on the average to more than three times the low point of 1932.

An important feature of the rise of stock prices is that the advance from March, 1935, to March, 1937, has been greater than for the three years 1932 to 1935. The pace of the rise has been very rapid in the last two years. The significance of this is that although the current rising trend of prices may run into early summer, there appears to be at least an even chance of a good-sized setback later this year.

Under the circumstances, it would be unwise to buy common stocks indiscriminately. In the general recovery of prices of the last four or five years, the investor could buy stocks almost blindfold and make profits. In contrast, as the recovery of business and stock prices proceeds, more and more discrimination will become necessary.

The position and trend of the stock market may be summarized as follows:

1. The main long-term trend of stock prices is upward accompanying business recovery.
2. The temporary trend of stock prices is also upward but is subject to the possibility of a serious setback later this year.
3. Greater discrimination in buying stocks is necessary now than at any time in the past five years to get the maximum benefits from this sort of investment.

* * *

Bond Prices High

BOND prices are subject to influences dissimilar to those affecting stocks. This is shown by the rising trend of bond prices from 1929 to 1931, a period when stocks were falling and falling.

Bonds naturally suffered a relapse in the period between suspension of the gold standard in Great Britain in 1931 and the American financial crisis of 1933. From 1933 to 1936 the trend was definitely upward to the highest prices in a generation. This year there has been a marked decline in bond prices.

Is a downward trend in bond prices already underway?

Majority opinion among economists and financial men appears to lean definitely to a belief that the prices of bonds are at least not likely to rise appreciably. The growing belief is that there may be a gradually declining price trend for high-grade bonds.

Low interest rates mean high bond prices. And maintenance of low interest rates and high bond prices is at least partly under the control of the British and United States Governments. Both Governments may continue in the interests of their own pocketbooks to lend some support to high bond prices by keeping interest rates lower than they were before the depression. But there is no doubt that they have both taken action recently which has weakened bonds.

What the British and U. S. Governments do about maintaining high bond prices is of vital importance to Canadian bond markets. Our prices depend to a considerable extent upon prices in London and New York. Increased sales of securities by the British Government to finance rearmament may thus mean gradual lowering of bond prices in Canada. The same may be said of Washington's policy of restricting the use of the expanded credit forced into banks throughout the United States.

There may be an important clue to the future trend of our bond prices in what has already happened in London. British business recovery has been running ahead of recovery in Canada and the United States. The peak of British bond prices was reached early in 1935. Since then there has been a gradual decline in prices.

It is at least safe to say that Canadian holders of high grade bonds which have risen well above face value cannot expect to get much higher prices and they may see lower prices as business becomes even more active.

So much for the bond market prospect.

* * *

Investment Policies

IN the latter stages of business recovery, when conditions are approaching full prosperity as at present, it is not uncommon to see rising commodity prices, rising wages, rising interest rates, and, in general, rising costs.

Under such conditions, the investor with excessively large holdings of the highest grade bonds may actually be a loser both in market value of his holdings and in purchasing power from the fixed interest income.

The investor with large proportionate holdings in inferior securities may stand to reap the most profit.

It should be possible by revision of investment holdings at least to balance the possibilities of loss with possibilities of profit. The more desirable policy, of course, depending upon the individual investment problem, would be to invest only in securities that will tend to increase income and to make capital profits for the holder. Probably the most satisfactory way of dividing the average investment fund is half in high-grade, short-term bonds, and the other half between higher grade stocks and selected shares with maximum profit possibilities.

In general, the following investment principles may well be followed:

1. Hold bonds maturing not later than 1947 to avoid the greatest swings in prices.
2. Holdings of both bonds and deferred stocks should include issues with conversion or participation features.
3. Buy common stocks with these things in mind:
   - (a) Possible adverse effects of rising costs upon stable manufacturing industries.
   - (b) Possibilities of profit in companies carrying large inventories or producing primary commodities in a period of rising prices.
   - (c) Prospects of greater than average rate of further recovery by companies in industries that have been disproportionately depressed such as construction and agriculture.
   - (d) Possibility of greater profit in stocks where there are fixed charges for bond interest and preferred dividends because of more than proportionate increase in earnings on common shares from moderate improvement in gross earnings.

This is the first of a series of articles on profit possibilities for investors. The second article, discussing the problems involved in taking profits on high grade bonds, will appear next week.

Montreal Brokers' Loans Mount With Trading

From Our Own Correspondent

MONTREAL.—Further increase in marginal trading is shown in the figures released on the collateral borrowings of member firms of the Montreal Stock Exchange. On Feb. 27, borrowings of the members totalled $40.6 millions, an increase of $1.5 million over the previous month. Compared with a year ago, when figures on Feb. 29 amounted to $17.8 millions, the current figure represents an increase of $22.8 millions.

The current loan figure is the highest on record since Oct., 1931, when it was $54.9 millions.

The figures do not include loans on foreign securities, but only borrowings of members of the Montreal Stock Exchange on Canadian securities. Nor do they include the borrowings of bond affiliate companies of Stock Exchange members.

C.I.O. Plans Bring Action

Nova Scotia Steel Workers Resent Demands

From Our Own Correspondent

SYDNEY, N.S.—Immediate action has followed the announcement by John L. Lewis, chairman of the Committee for Industrial Organization, that C. I. O. would attempt to organize Nova Scotia steel workers. District officers of the United Mine Workers, of America, the core of the C. I. O. break with the American Federation of Labor, have already launched the drive.

In the huge Dominion Steel and Coal Corporation plant, union organizers already claim a membership of more than 1,800 among the plant's 3,000 workers, and of about 300 workers in the Trenton, N. S., plant of the Nova Scotia and Coal Company, a subsidiary of Dosco.

In Sidney the members of the union already have drawn up a programme of demands and have requested a meeting with H. J. Kelley, vice-president and general manager of Dosco for their consideration. The programme includes: Recognition of the union, minimum rate of $4 per shift, straight eight-hour day and 48-hour week, with time and a half for overtime and double time for holidays; recognition of seniority rights, immediate wage increase to accompany promotion from unskilled to skilled or semi-skilled labor; periodic safety inspection and investigation into accidents by union committee.

Gain in Output Of Newsprint

Accumulation of Stocks for Water Shipping Influences Returns

From Our Own Correspondent

MONTREAL.—Accumulation of stocks of newsprint paper at points from which water shipments will be made upon opening of navigation, influenced February production figures of the Canadian newsprint paper mills.

Canada's February output of newsprint, according to the News Print Service Bureau, amounted to 275,532 tons and shipments to 251,256 tons. This contrasts with an output of 221,569 and shipments of 206,076 tons for the same month the year before.

For the first two months of the current year Canadian mills produced 113,378 tons more than in the same period a year ago.

American mills did not do so well, output in February totalling 72,072 tons and shipments 74,824 tons. This compares with 72,252 tons produced and 70,495 tons shipped in Feb., 1936.

The output in the United States this year is practically the same as for the first two months of 1936.

During February 28,110 tons of newsprint were made in Newfoundland, as against 24,047 tons last year.

Total North American production for last month amounted to 375,714 tons, compared with 317,612 tons last year.

Stocks of newsprint paper at Canadian mills were reported at 73,769 tons at the end of February and 15,995 tons at United States mills, making a combined total of 89,764 tons compared with 68,240 tons at the end of the previous month. However, compared with a year ago, the combined stocks are less, indicating a greater degree of consumption in the United States.

A WORD *to the Wives*

BECAUSE women often see things from a different angle than men, wives should play an important part in planning wills.

How much it takes to run the house each month—which child is apt to need more specialized attention than another—the bequeathing of personal effects—how much should go to charity and who should be named Executor—all are questions that wives should have a part in answering.

And so we urge each wife who has not already done so to have a frank talk with her husband in regard to the protection which only his will can give her.

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SHOPS IN PRINCIPAL CANADIAN CITIES

Investment Trends

Share Price Trend Still Points Upward

But Rising Prices Cannot Continue Indefinitely Without Interruption — Abitibi Securities Depend on Uncertainties

It is still noticeable that in periods of soft prices, the volume of trading in stocks declines. This is regarded as reflecting small volume available for liquidation at present and confirmation of the belief that the temporary trend of stock prices is still upward. It is obvious, of course, that the rising trend cannot continue indefinitely without interruption.

Rising prices of metals and other commodities promise to have widespread and complex effects on industry and investments which cannot all be foreseen. Rising wages should help maintain business activity despite increased costs of living. The producers of raw materials and processors who carry large inventories should be in a favorable position to increase profits.

A considerable body of responsible financial opinion is that there is still a distinct possibility of financial crisis in Canada because of the weaknesses arising from continued government deficits and insolvencies of minor governments.

Upward Trends

THE long-term trend of stock prices is upward, accompanying international economic recovery, according to most analyses of security markets.

The temporary trend of stock prices is also upward, despite the recent recession. A further temporary advance may run into May or June, but lower prices may be reached later this year, according to analysts.

Advisory services to investors suggest retention of common stock holdings, but coupled with about equal holdings of liquid high-grade bonds.

Incidentally, about bond holdings. For at least two years the advice has been freely given to investors not to buy excessively long-term issues. Those who did not heed this advice have substantial losses on such issues as the Dominion perpetual 3%'s. The fact remains that the most liquid bonds are those maturing within 10 years.

* * *

Abitibi Securities

A PROFESSIONAL investor suggests that Abitibi bonds should rightly sell at a discount from 100, even including the 25% of accrued unpaid interest. An investment manager for a large bondholder comments that if Abitibi preferred is worth 54 the bonds are worth 100 plus interest. Impartial opinion seems to be that the bonds may be worth 100 plus interest if newsprint improvement continues, but that the shares, both preferred and common, are uncertainties.

It appears certain that there will be friction over the division of the spoils in reorganization. The bondholders appear in the best position to maintain their claims, but equity holders are arming for the fray.

Since it cannot be predicted what will be given to the preferred and common in reorganization, and as bondholders may get a share of new equity securities anyway, the safest investment in this uncertainty is the bond issue.

It may be time enough to invest in the shares when terms of reorganization are closer to settlement. Meanwhile the investor who would gamble on further newsprint recovery may be better off in shares of companies that are not subject to the hazards of possible reorganization.

* * *

Miscellany

LOOKING back a year, share prices at the beginning of 1936 appear to have been low. The rise of dividend payments alone is justification for a large part of the rise of stock prices. Since early 1936, share prices have advanced about 20% as measured by the Dominion Bureau index, and this compares with a rise of 19.8% in the respective monthly indices of dividends of Nesbitt, Thomson & Co. There may be excessive speculation in nonpaying shares, but dividend-paying stocks have justified optimism of the past two years.

* * *

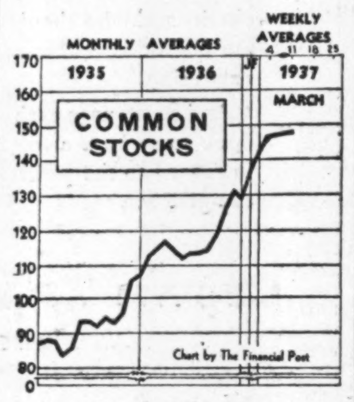

Chart by The Financial Post

WHAT people overlook, says the manager of one of the largest Canadian industrial firms, is that we are in a period of credit inflation. He was speaking of rising prices of materials, particularly metals, and the effect on industrial costs. The initial benefits of rising prices are reaching toward producers of raw materials who suffered severely in the preceding decline. This brings about a new equilibrium between commodity prices and prices for manufactured goods. The full benefits in Canada have not yet materialized, especially for agriculture. J. Henry Schroeder & Co., London, suggests that in this new balance there is great scope for real trade expansion.

* * *

INVESTMENT in preferred shares which are in arrears of dividends, or in common shares which come behind such arrears, presents something of a puzzle. There is always the possibility that the common share equity will be sharply reduced; that a settlement of arrears may have favorable long-run aspects for the common; or that the preferred will not receive what holders think would be fair. One way of hedging the uncertainties in such situations is to equalize the investment between common and preferred, and make the final choice after the facts are established.

* * *

NEWS that the United Farmers Co-operative Co. of Ontario is allying with the American organization, National Co-operatives Inc., apparently has some significance for farm implement firms. "Experimental purchase" of farm tractors manufactured by the U. S. co-operative group may be made by the Ontario organization. There is difference of opinion over the possible success of "co-ops" in such manufacturing businesses as farm implements. While it is being tried, however, it may prove some further interference in the business, but is probably of less importance to such firms as Massey-Harris and Cockshutt Plow than crop conditions.

Geoffrion and Robert Form Brokerage Firm

From Our Own Correspondent

MONTREAL.—Announcement is made of the formation of a partnership under the name of Geoffrion and Robert, for the transaction of stock exchange and general investment business.

The firm is a member of the Montreal Stock Exchange and its partners are Henri Geoffrion and Louis Robert.

B. A. Oil Pays On $1 Basis

British American Oil Co. has declared a dividend of 25 cents a share payable April 1. This places the stock on a regular basis of $1 a share annually, being the first regular payment at the quarterly rate of 25 cents. For 1936, the company paid 20 cents quarterly with a bonus of 20 cents, bringing total payments from last year's earnings to $1 a share.

The company will pay the 25-cent dividend to shareholders registered March 18, or on bearer share certificates on coupon No. 28. Sellers of the shares between March 18 and March 31, under Stock Exchange rules, are required to deliver bearer certificates with the dividend coupon attached, and do not receive the payment.

Commercial Alco Plan is Approved

Expansion of Business Calls for More Capital—Wipe Out Arrears

From Our Own Correspondent

MONTREAL. — Shareholders of Commercial Alcohol have approved the scheme of arrangement providing for liquidation of the preferred dividend arrears and the raising of additional capital through a common stock issue with rights attached.

In explaining to shareholders the directors' decision to raise additional capital for plant extension, C. G. Kertland, president, stated that the plant had been built to produce only 500,000 proof gallons. However, in the past year, under pressure, 750,000 gallons had been produced, but to take care of this year's prospective further expansion in business, it would be necessary to increase the capacity and tank storage by about one-third.

Larger Insulating Division

It will also be necessary, Mr. Kertland stated, to make further additions to the company's magnesite insulating department, as sales this year to date show an increase of more than 50% over the same period a year ago. This year's programme of extension in this division will provide for an expansion of about 50% in productive capacity.

In reply to a query on earnings, the president stated that as the company's year does not end until March 31, earnings for the 11 months ended Feb. 28 only were available. In that period, earnings, before depreciation and tax provision, amounted to $55,278 compared with $31,834 in the like period of the previous year.

Quebec Utilities Taxes May Rise

Duplessis Favors Charging for Cost of Maintaining of Streets

From Our Own Correspondent

MONTREAL.—Utility companies operating on the Island of Montreal may have to increase their contribution to the maintenance of streets, if Premier Maurice Duplessis carries out his announced intention of passing uniform legislation on this contentious question.

The matter came to a head when the Private Bills Committee met to consider a clause of the Verdun Bill which would allow that city to charge $15,000 to the Montreal Tramways Co. for the maintenance of streets on which its autobuses operate. A member suggested that the clause be amended to read 50% of the costs, but this was passed over when representatives of the company stated that such an amendment would mean an increase in fares.

Premier Duplessis took part in the discussion and said not only did he favor contributions by companies to municipalities where they operate, but he also favored a revision of the Montreal Tramways Co. contract with the City of Montreal. The Premier further warned the committee against possible unfair treatment and said that while it was all very well to curb the "trusts" they must not be destroyed altogether. At his suggestion the committee suspended the clause in the Verdun Bill, so that the problem may be discussed as a whole later during the session.

CANADA . . .

The World's Newsprint Mill

JUST as Canada has been called the granary of the Empire, so has it earned the title of the world's newsprint mill. Like grain, newsprint is a world commodity and of this commodity Canada has become the chief producing country, with an output which far exceeds that of any other nation in the world.

The pulp and paper industry, whose chief product is newsprint, is a vital factor in Canada's industrial and economic structure. It is the greatest of our manufacturing industries; it leads all others in value of production, number of employees and wages paid. It represents the largest capital investment in any industrial enterprise in the Dominion, excluding the hydro-electric industry; it supplies a market for over 40 per cent of all power generated in Canada.

All divisions of the pulp and paper industry in Canada have recorded important gains. Noteworthy has been the improvement in the situation surrounding the manufacture of kraft products, an industry whose position has been strengthened by increased demand and higher prices.

We recommend the securities of:

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New Set-Up Plan is Filed By Int. Paper

Reorganization Removes Capital Deficits and Permits Dividends

WIPE OFF ARREARS

From Our Own Correspondent

MONTREAL. — International Paper and Power Co. has filed with the U.S Securities and Exchange Commission plans for recapitalization of the company, which will eliminate preferred dividend accumulations and the present capital deficit of approximately $20 millions.

If the plan is consummated, the various classes of shares of the company now outstanding will be changed on the following rate basis:

Each share of 7% cumulative preferred stock will be exchanged for one share of 5% convertible preferred stock and one share of common stock.

Each share of 6% cumulative preferred stock will be exchanged for one share of 5% preferred stock and three-quarters of a share of common stock.

The new 5% preferred issue is to be convertible into common stock, one preferred for two and one-half common shares.

Common Stock Exchange

For each share of class A common stock, the holder will receive 8/20 of a share of new common and stock purchase warrants for 12/20 of a share of new common at $25 a share.

For each class B share, the holder will receive 6/20 of a new common share and stock purchase warrants for 9/20 of a new common share at $25.

For each class C share the holder will receive 3/20 of a share of new common and common stock purchase warrants for 9/40 of a share of new common at $25 a share.

Simplify Capital Structure

At the end of last year the outstanding shares of the company were as follows:

	Authorized shares	Outstand. shares
7% cum. pfd. ($100)..	1,000,000	*914,746
6% cum. pfd. ($100)..	20,000	3,708
Cl. A com. (n.p.).....	5,000,000	832,596
Cl. B com. (n.p.).....	3,000,000	821,805
Cl. C com. (n.p.)......	5,000,000	2,122,389

*Including 4,891 shares held by International Paper Co.

New Capital Set-Up

It is proposed under the plan to change the capitalization so that, except for possible increases due to further exchange of International Paper Co. stock for shares of the company or possible decreases in outstanding stock between Dec. 31, 1936, and date the plan becomes effective, it will be as follows immediately after the change:

	Authorized shares	Outstanding shares
5% cum. conv. pfd. ($100)	1,000,000	918,454
Com. stock ($15 par)*	6,000,000	1,815,465
Com. stk. purch. warrants	Warr'ts for 1,348,218	Warr'ts for 1,346,907

*Of the 4,184,535 shares of authorized common stock not shown above as outstanding, 2,296,135 shares will be reserved for conversion of the 5% preferred; 1,346,907 shares will be reserved for exercise of the warrants, and the balance of 541,493 shares will be unallocated.

Two-thirds Vote Necessary

To make the plan effective, it will be necessary to secure favorable vote of at least two-thirds of the shares of each class of stock. The plan will be submitted for approval by shareholders at the annual meeting to be held in May.

The plan is subject to an alternative if the affirmative vote of at least two-thirds of the 6% cumulative preferred stock is not obtained, and if at least two-thirds of each of all other classes of stock vote in favor of the plan, the plan may be carried through by leaving the 6% preferred stock outstanding as at present.

It is proposed that International Paper reduce the stated value of its 1,000,000 shares of common stock from $52.50 to $15 per share to eliminate the deficit, which at Dec. 31, 1936, was $27.1 millions, and leave a surplus of $10.4 millions.

Set Forth Benefits

In submitting the plan to the SEC the company claimed that the following savings and other benefits would be effected:

1.—It will remove present capital deficit and permit directors, if they so determine, to resume payment of dividends during 1937 and in this connection avoid some of the burden of the present federal tax on undistributed profits.

2.—It will reduce annual fixed dividend charges to a level which it is reasonable to believe can be covered by earnings under normal business conditions.

3.—It will provide the company with a preferred stock and a common stock, which will be a suitable medium for future financing in the event that the company needs additional capital in connection with the development of its business.

4.—It will be a step in the direction of further simplification of the security structure of the company by affording a basis for an ultimate capital structure consisting solely of common stock.

N. Y. Commerce Chamber Opposes Champlain Route

Repeating its 16-year-old opposition to the Great Lakes Waterway, the New York State Chamber of Commerce also voices opposition to the proposed waterway which would connect Montreal and Albany, New York, via Lake Champlain and Lake George. In commenting on the latter proposal the Chamber of Commerce states: "It is open largely to the same objection as the St. Lawrence project. Both routes would be closed by ice during the cold winter. The diversion of tonnage from existing routes would be insufficient to make either project profitable."

Dominion Coal Output Higher During February

From Our Own Correspondent

MONTREAL.—Dominion Coal Co. collieries produced 32,000 tons more coal in February than during the same month last year.

Tonnage this February was 239,500 compared with 207,903 a year ago.

Investment Notes

Geo. Weston — Profit of $1.11 a share for 1936, an increase of only three cents a share over 1935, disappointed many holders of the common. The smallness of the increase is partly due to increase of 29 cents a share in taxes. Garfield Weston, president, also explains, "There is a very definite rising tendency in the cost of raw materials, a fact which creates operating problems since it is not always feasible to pass additional costs on to consumers immediately."

* * *

Corrugated Paper Box—President A. T. Whealy reports that business so far this year compares favorably with the corresponding period of 1936. All indications, he says, seem to point to a continuation of good business conditions.

* * *

Pressed Metals—Sales for January and February, 1937, were 50% above those for the same months of 1936, states J. W. Leighton, president.

* * *

Regent Knitting—"We recommend the purchase of Regent Knitting securities," is the comment of L. G. Beaubien & Co., Montreal, in an analysis of earnings for the last three years. Changes in tariffs on woollens are not analyzed in the statistical material

* * *

Paramount Pictures—In February, $962,700 of first preferred and $1,000 of second preferred were converted into 67,479 common shares. At Feb. 27 there were 162,596 first preferred shares outstanding, compared with 249,982 shares at Dec. 31, 1936. The first preferred is convertible into common seven for one and the second preferred is convertible nine common for 10 preferred.

* * *

Burns & Co.—Payment of the full 5% interest for 1936 on income bonds of Burns & Co., just announced, bears out expectations. The payment will be made by cheques mailed April 1 to holders registered on that date.

* * *

Steel Co. of Canada — At Feb. 1, 1937, there were 2,740 investors holding the outstanding 259,852 preferred shares and 6,223 holders of the 460,000 ordinary shares outstanding. Of the total of 8,963 shareholders, 838 held both ordinary and preferred shares. The average holding works out to 94.8 preferred shares and 73.9 ordinary shares.

* * *

Simpsons, Dom. Tar—Plans to reduce from 6½% to 5% the fixed preferred dividend rates on these, and to wipe off arrears, by issue of junior shares, create substantial yields at net values. For Simpsons preferred, the current value of the proposed issue of junior shares amounts to about $22½ per preferred share. Deducting this from the price of 106 for the preferred, the net price to the buyer is about $83½ for the proposed 5% stock. Yield about 6%. For Dominion Tar, the yield to the buyer at the net price of about 76 for the planned 5% preferred is approximately 6.6%.

* * *

Int. Paper & Power—Estimate of earnings for 1937 of $9 millions compared with actual earnings of $4.7 millions in 1936 would mean nearly $10 a share for the proposed 5% convertible preferred and about $2.50 a share for the 1,815,465 shares of new common. The share earnings on the common would be altered, of course, by any exercise of purchase warrants, and the calculation depends upon realization of the estimate.

* * *

Goulds Pumps—Dividend of $2 a share on the 7% preferred payable April 15 to shareholders of record March 1 is the first payment since Jan. 1, 1932, and will leave arrears at $34.75 a share.

* * *

Purchases and Sales—In the last six months of 1936, Continental Securities Corp., U. S. investing firm, made these net portfolio changes:

Walker-G. & W.—Sold all 500 shares.

Hudson Bay Mining—Acquired 1,500 shares.

Int. Nickel—Reduced holdings from 1,500 to 1,000 shares.

Noranda—Sold all 500 shares.

* * *

Wings Ltd.—Application is being made for listing of the common shares on the Toronto Stock Exchange. There are 175,000 shares outstanding, quoted around $2.25. The company operates 10 planes from Winnipeg, mostly to northern mining camps.

Steel Firm's Payments Only Partly Justified

Ross H. McMaster States Profits Needed for Expansion

FRIENDLY TO LABOR

Ross H. McMaster, president of the Steel Co. of Canada, points out that disbursements from 1936 earnings practically equal the total earnings for the year, apart from the income from investments and the profits from sale of securities.

"Except for the unusual conditions which surround ordinary shares under the decision of the Privy Council, the distribution of annual profits to such an extent would not be justified because of the constant need of accumulated profits for purposes of expansion," he adds.

Further payments of $8 a share on the ordinary shares are required to equalize them with past disbursements on the preferred. Such future payments at all times must depend upon the action of directors, having regard for the company's business and its need for working capital, says Mr. McMaster.

Orders Heavy

Operations of the company in 1936, with its broad range of products, reflected the greater consumption of steel in manifold uses. Output was also assisted by increased exports. Mr. McMaster states that anticipatory buying was general toward the close of 1936 and that the year closed with production at an unusually high level for that season of the year.

Mr. McMaster's comments in the report outlining the company's methods of maintaining close and friendly relationships between management and employees almost coincided with announcement by H. H. Champ, vice-president, of a general wage increase of 10 per cent effective from April 1.

Mr. McMaster poinits out in the report that the total allocations to pension and benefit funds are now $2,151,306. Additions to the principal will become even more essential, he says, because of the lower income available from fixed interest-bearing securities. "These contributions to the protection and welfare of the employees," he comments, "are greatly appreciated by them."

Employee Representation

Mr. McMaster also remarks to shareholders:

"The fact that almost 500 employees have record of 25 years' service, or longer, reflects the stability of employment which your company has been able to afford and the steadfast service rendered by them.

"Many matters of mutual interest have been discussed and settled by the means provided under the 'employees representation plan' which has enabled the employees, through their elected representatives, to confer with the management at regular monthly meetings. The closer relationship established in this manner is certain to prove advantageous to all concerned."

Humberstone Co. Earns Dividend

Humberstone Shoe Co., manufacturers of shoes and sandals for children, has earned its dividend by a good margin for the first six months of the current fiscal year, it is understood. The company's fiscal year ends July 31, 1937, and the present dividend rate of $2 per share has been maintained since 1933.

In its fiscal year ended July 31, 1936, earnings available for the common stock were equivalent to $2.88 a share and the company's reports for the past five years have shown earnings consistently above the dividend.

Higher prices for leather may have some effect on operations, but so far no harm has been felt. Inventories at the end of the last fiscal year amounted to $384,804, the highest level for this item in the company's history.

Holt, Renfrew and Co. Reduces Bonded Debt

From Our Own Correspondent

MONTREAL.—Holt, Renfrew and Co. has notified the Montreal Stock Exchange that during the year ended Jan. 31, 1937, the company redeemed through its sinking fund $5,000 of its 6½% first mortgage bonds, due Aug. 1, 1937. This makes total redemption to date of $238,000, leaving $362,000 still outstanding.

In addition, the company provided a further amount in cash of $22,019, which is on deposit with the trustees for the purpose of buying further bonds if obtainable.

Significant Investors' Index Numbers

1926 — 100

No. of Securities	Mach. and equip. 8	Pulp and paper 6	Milling 4	Oils 4	Textiles and clothing 10	Food and allied prod. 13	Beverages 7	Bldg. mater. 14	Indust. mines 2	Total industrials 68	Total utilities 19	Total co's 96
1929-36:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	205.4	281.1	591.3	317.6	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	74.9	56.0	36.9	43.3
1937:												
Jan.	156.3	37.2	119.6	229.6	77.3	184.2	141.0	197.0	549.3	222.0	68.5	137.4
Weekly Figures, 1937:												
Feb. 4 ..	161.0	38.6	120.2	229.7	78.8	185.0	140.2	198.6	553.4	222.5	71.2	139.0
Feb. 11 .	165.5	36.0	120.0	228.1	78.5	187.2	138.6	201.2	552.7	222.6	72.4	139.5
Feb. 18 ..	163.7	36.7	119.3	231.1	79.4	189.9	138.7	205.6	572.8	226.1	73.5	141.4
Feb. 25 .	161.7	36.4	121.7	237.6	77.8	189.7	139.6	208.8	609.7	230.2	74.5	146.3
Mar. 4 ..	167.1	37.1	123.0	249.7	79.4	191.9	139.9	210.4	610.9	241.9	73.3	148.2
Mar. 11 ..	169.3	38.5	128.3	249.3	80.4	191.4	141.0	216.2	631.8	245.4	72.4	149.5

*High and low for years from 1929 to 1936 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Mar. 16	183.90	151.61	206.49
Mar. 15	182.03	150.12	207.13
Mar. 13	182.41	149.59	207.06
Mar. 12	181.98	146.90	206.26
Mar. 11	183.15	148.16	209.28
Mar. 10	185.80	150.40	212.17
Month ago ..	173.56	161.03	197.73
Year ago ...	132.25	121.00	133.15
High, 1937 ..	187.67	168.59	215.36
Low, 1937 ...	163.39	145.53	193.84

Montreal Averages

	10 Util.	20 Indus.	30 Combd
Mar. 16	87.9	117.2	107.5
Mar. 15	87.8	117.0	107.8
Mar. 13	87.8	117.0	107.3
Mar. 12	87.8	116.7	107.1
Mar. 11	86.6	117.6	106.6
Mar. 10	87.8	119.4	108.8
Month ago	91.4	112.0	105.2
Year ago	71.7	75.4	74.2
High, 1937 ...	92.5	120.1	109.4
Low, 1937	86.2	107.8	101.3

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Bond Markets

Prices Drop Sharply In New York Market

Recent Decline Seen as a Temporary Condition — Conditions Point to Continuance of Low Interest Rates

The market for high-grade Canadian Government bonds has been comparatively quiet during recent trading sessions, prices remaining firm for the first time in weeks.

United States Government issues, however, have been declining sharply, but this has had no effect on the Canadian market.

Usually one can look for the Canadian market to follow New York's lead, but in this instance the decline in Canadian issues preceded the drop in United States Government issues. Prices of Canadian Government bonds have been declining almost continuously since the first of the year, moving in sympathy with prices of British Government bonds. United States Government issues, on the other hand, continued to sell at around peak levels, so that the present weakness is not unexpected.

British Government bonds have recently shown a strengthening tendency.

Informed investment opinion is that the market can be expected to consolidate its position somewhere around present levels. The market, in fact, may even react to higher levels, although it cannot be expected to regain its former peak.

Indicative of the decline in high-grade long-term bonds is the present price of 85¼ for Dominion of Canada 3% perpetuals, compared with their offering price of 96½. The decline in price of this issue has been more marked than in others due to the unpopularity of the security.

Decline Forecast

THE decline in bond prices has generated considerable uneasiness in some sections of the financial community, but there does not appear to be undue reason for alarm. In other sections it has been viewed with considerable surprise.

Actually, there is no reason for either of these reactions. It is no panic movement, but simply the realization of a movement long foreseen. On many occasions it has been foreshadowed by The Financial Post. The decline may have come sooner than most financial authorities expected, but then it is impossible to forecast accurately when a probable trend will set in.

This column has repeated time and time again that when business recovers, interest rates can be expected to rise and bond prices decline. Business has been recovering Commercial loans of the chartered banks are expanding and industrial corporations are no longer buying government bonds for lack of other employment for their funds. They are, in fact, liquidating their holdings of bonds since they require additional working capital as a result of improvement in business and the rise in commodity prices.

It should be pointed out that the decline in prices has not been due to pressure of selling, but rather to lack of demand. Institutional investors such as the banks and the insurance companies have been refraining from making purchases, partly because they want first to determine what the probable trend will be and whether prices will continue to drop. This has only accentuated the decline.

* * *

IN THE meantime the volume of institutional and other funds seeking investment continues large and is accumulating. It is a well-known fact that it is very difficult to sell bonds in Canada in a declining market. Once the decline stops and the market shows a strengthening tendency, however, the institutions will again enter the market. Such action would probably cause prices to rise slightly.

As far as the individual investors are concerned, they are a very small factor in the market. They have during recent years been liquidators of high-grade bonds, since the latter have been luxuries which most investors could not afford. As soon as money pays a living wage, however, they will again be a factor. In the meantime the institutions will be the main support.

The paradox of the situation is that high-grade Canadian Government bonds are declining in the face of improvement in governmental financial affairs.

* * *

Will Decline Continue?

THE question which the average investor who holds high-grade government bonds is asking is "Will the decline continue?"

In this connection it might be mentioned that Moody's Investors Service of New York in its bond survey of March 15, following the decline in prices of U. S. Government issues, stated that "the argument for a prolonged decline in high-grade bond prices is unsound at the present time."

Forecasting the continuance of generally low interest rates, the survey ascribes the present nervous and unsettled bond market to an adjustment process reflecting temporary conditions. In this connection it points out that basic conditions indicate that low interest yields will continue for some time and that the present decline has been due to psychological or sentimental factors. The line of least resistance is to take the doubtful view. Bond investors are expressing fear lest a long decline set in; they are ready to sell but chary about buying.

* * *

Canadian Market

AS FAR as Canada is concerned, the trend will depend almost entirely upon the course of the market in United States and Great Britain. Governments in both of these countries are pledged to a cheap money policy. Both, in fact, require cheap money. United States has a large short-term debt which will have to be funded on a long-term basis and Great Britain is faced with the necessity of borrowing £400 millions in the next five years for armament purposes.

It is generally conceded that machinery exists today for the management of money and interest rates which never existed before. Both Britain and U. S. treasuries can be expected to use all the tricks at their disposal to keep interest rates low.

It should be pointed out, however, that there is considerable disagreement as to possible effectiveness of government management of interest rates in the later stage of a recovery period. London financial circles are at loggerheads with the Government on this question, being of the opinion that a rise in the rate of interest is desirable in order to prevent an inflationary rise in prices or boom.

Thus it appears that governments may be torn between two forces, a desire to keep interest rates low and a desire to check a boom or inflationary boom.

Any action that may be taken by the Bank of England and the Federal Reserve Bank of United States toward continuance of cheap money is bound to have the co-operation of the Bank of Canada. The Federal Government is still a large borrower. Furthermore, it has $269 millions of bonds maturing during the remainder of 1937 which will have to be refunded, $142 millions in 1938 and $115 millions in 1939.

* * *

Market Movements

CORPORATION bonds have moved in sympathy with the high-grade government market, easing off slightly. Western provincial issues have declined sharply in the face of quiet trading, Alberta issues suffering the most severe decline. The trend of the high-grade market is indicated below:

The Financial Post Index of Average Prices and Yield of High-Grade Govt. Bonds

1937	Price $	Yield %	1936	Price $	Yield %
Mar. 16	111.95	3.481	Mar. 16	113.77	3.381
Mar. 15	112.16	3.465	Mar. 14	113.90	3.371
Mar. 13	112.16	3.465	Mar. 13	113.79	3.401
Mar. 12	112.16	3.465	Mar. 12	113.86	3.371
Mar. 11	112.16	3.465	Mar. 11	114.05	3.357
Mar. 10	112.16	3.465	Mar. 10	114.06	3.355
Year's	116.81	3.026	Year's	117.91	2.966
Range	112.16	3.465	Range	111.50	3.597

Associated Breweries Increases Dividend

Associated Breweries of Canada, Calgary, has declared a quarterly dividend of 40 cents a share plus common stock, payable March 31 to shareholders of record March 16, 1937. The last quarterly dividend, paid on Dec. 31, 1936, was 15 cents a share so that the present payment represents an increase in the regular rate.

The company is also paying the regular quarterly dividend of $1.75 a share on its preferred stock on April 1, 1937. Total payments on the common stock for the 1936 fiscal year amounted to 35 cents a share.

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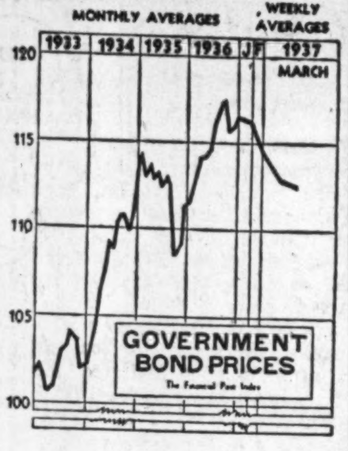

Dividends Declared

	This payment	Date payable	Date of record
Assoc. Brew.	20c	Mar. 31	Mar. 16
Do., pref.	$1.75	Apr. 1	Mar. 16
Agnew-Surpass, pf.	$1.75	Apr. 1	Mar. 15
Acme Glove	12½c	Apr. 1	Mar. 20
Do., pref.	$1.62½	Apr. 1	Mar. 20
Do., arrears	56¼c	Apr. 1	Mar. 31
Amer. Cyan., A & B	15c	Apr. 1	Mar. 15
Bldg. Prod., A & B	35c	Apr. 1	Mar. 15
Brazilian Tr., pf.	$1.50	Apr. 1	Mar. 15
Brit. Amer. Assur.	$1.50	Apr. 1	Mar. 25
Brit. Amer. Oil	25c	Apr. 1	Mar. 18
B. C. Power, A	45c	Apr. 15	Mar. 31
Bell Telephone	$1.50	Apr. 15	Mar. 23
Bralorne Mines	10c	Apr. 15	Mar. 31
Do., extra	10c	Apr. 15	Mar. 31
Belding Cort.	$1	Apr. 1	Mar. 15
Do., pref.	$1.75	Apr. 1	Mar. 15
B. C. El. Pr. & G. p.	$1.50	Apr. 1	Mar. 20
Bk. of N. Scotia	$3	Apr. 1	Mar. 16
Brant. Cordage, pf.	32½c	Apr. 15	Mar. 20
Brewers & Distil.	•40c	May 20	May 1
Do., bonus	•10c	May 20	May 1
Can. W. & C. pf.*	$1.75	Mar. 20	Mar. 1
Can. Cottons	$1	Apr. 1	Mar. 19
Do., pref.	$1.50	Apr. 1	Mar. 19
Can. Indus. A, B	$1.50	Apr. 30	Mar. 31
Do., pref.	$1.75	Apr. 15	Mar. 31
Can. Celanese, pf.	$1.75	Mar. 31	Mar. 16
Do., partic.	69c	Mar. 31	Mar. 16
Do., com.	40c	Mar. 31	Mar. 16
Can. Gen. Elec.	$1.50	Apr. 1	Mar. 15
Can. Westinghouse	50c	Apr. 1	Mar. 20
Can. Cement, pf.	*$1	Mar. 20	Feb. 28
Can. Pac. Rly. pf.	1%	Apr. 1	Mar. 1
Canadian Oil, pref.	$2	Apr. 1	Mar. 20
Can. Bread, 1st pf.	$1.25	Apr. 1	Mar. 15
Do., B pfd.	62½c	Apr. 1	Mar. 15
Can. Perm. Mtge.	$2	Apr. 1	Mar. 15
Cariboo Gold	2½c	Apr. 1	Mar. 10
Chartered Trust	$1	Apr. 1	Mar. 15
Can. Nor. Power	30c	Apr. 26	Mar. 31
Do., pref.	$1.75	Apr. 15	Mar. 31
Can. For. Invest.	40c	Apr. 1	Mar. 15
Can. Canners, 1 pf.	25c	Apr. 1	Mar. 15
Do., pref.	$2	Apr. 1	Mar. 15
Can. Wire Box, A	37½c	Apr. 1	Mar. 15
Cons. Bakeries	25c.	Apr. 1	Mar. 15
Carnation, pfd.	$1.25	Apr. 1	Mar. 20
Celanese of Amer., pr. pf.	$1.75	Apr. 1	Mar. 16
Do., part. pfd.	$3.50	June 30	June 15
Do., partic.	$1.69	Apr. 1	Mar. 16
Do., com.	75c	Apr. 1	Mar. 16
Central Can. Loan.	$2	Apr. 1	Mar. 22
Cosmos Imp., pf.	$1.25	Apr. 15	Mar. 31
Dominion Coal	‡37c	Apr. 1	Mar. 20
Dominion Glass	$1.25	Apr. 1	Mar. 15
Do., pref.	$1.75	Apr. 1	Mar. 15
Dominion Bank	$2.50	Apr. 1	Mar. 20
Dome Mines	50c	Apr. 20	Mar. 31
Do., extra	$2	July 20	June 30
Dom. Rubber, pf.	$1.75	Mar. 31	Mar. 17
Dom. Textile	$1.25	Apr. 1	Mar. 15
Do., pref.	$1.75	Apr. 15	Mar. 31
East. Steel, pf.	$1.75	Apr. 1	Mar. 15
Economic Invest.	$1.37½	Apr. 1	Mar. 20
Falconbridge N.	7½c	Mar. 31	Mar. 10
Fanny Farmer	25c	Apr. 1	Mar. 15
Ford Motor	25c	Mar. 20	Feb. 27
Gachin Gold, pf.	8c	Mar. 31	Mar. 16
Goodyear Tire	62c	Apr. 1	Mar. 15
Do., pref.	62½c	Apr. 1	Mar. 15
Goulds Pumps, pf.	$2	Apr. 15	Apr. 1
Gt. Lakes Pw., pf.	$1.75	Apr. 15	Mar. 31
Gr'ning. B., Wire p.	$1.75	Apr. 1	Mar. 15
Hamilton Cot'n, pf.	*50c	Apr. 1	Mar. 15
Ham. Un. Theat., p.	$1.25	Mar. 31	Feb. 27
Hinde & Dauch	25c	Apr. 1	Mar. 15
Hollinger Cons.	5c	Mar. 22	Mar. 11
Howe Sound	$1.75	Mar. 31	Mar. 20
Do., extra	75c	Mar. 31	Mar. 20
Huron & Erie Mtg.	$1.25	Apr. 1	Mar. 15
Inter. Nickel, pf.	$1.75	May 1	Apr. 1
Indust. Accept. A	▲25c	Apr. 1	Mar. 22
Do., pfd.	$1.25	Apr. 1	Mar. 22
Imperial Tob., ord.	10c	Mar. 31	Mar. 12
Do., final	22½c	Mar. 31	Mar. 12
Do., pref.	3%	Mar. 31	Mar. 12
Inter. Nickel, c.	50c	Mar. 31	Mar. 1
Inter. Mining	15c	Mar. 20	Mar. 1
Inter. Power, pfd.	$1.50	Apr. 1	Mar. 15
Inter. State Rlty., A	28c	Apr. 1	Mar. 15
Inv. Found., p.	50c+75c*	Apr. 15	Mar. 31
Jam. Pub. Ser. pf	$1.75	Apr. 1	Mar. 15
Do., com.	43¾c	Apr. 1	Mar. 15
Lang, J. A.	17½	Apr. 1	Mar. 15
Land. Bkg. & L.	$1.25	Apr. 1	Mar. 15
Lava Cap	2c	Mar. 31	Mar. 10
Mtl. City & D. Sav.	$3	Apr. 1	Mar. 15
Mitchell, J. S., pf.	$1.75	Apr. 1	Mar. 15
McColl-Front., pfd.	$1.50	Apr. 15	Mar. 31
Monarch Knit, pf.	$1.75	Apr. 1	Mar. 15
Marcus Loew's, pf.	*$1.75	Mar. 31	Mar. 20
Moore Corp.	40c	Apr. 1	Mar. 10
Do., pfd., A & B	$1.75	Apr. 1	Mar. 10
National Trust	$2	Apr. 1	Mar. 20
N. S. Lt. & Pr.	$1.25	Apr. 1	Mar. 16
Nat. Breweries	50c	Apr. 1	Mar. 15
Do., pref.	44c	Apr. 1	Mar. 15
Nat. Grocers, pf.	$1.75	Apr. 1	Mar. 15
New Eng. Pwr., pf.	$1.50	Apr. 1	Mar. 16
Do., $2 pfd.	50c	Apr. 1	Mar. 16
Niag. W. Weav.	50c	Apr. 1	Mar. 15
Nat. Biscuit, com.	40c	Apr. 15	Mar. 12
North Star Oil, pf.	*8¾c	Apr. 1	Mar. 18
Ont. Loan & Deb.	$1.25	Apr. 1	Mar. 15
Ogilvie Flour Mills	$2	Apr. 1	Mar. 19
Ottawa Traction	50c	Apr. 1	Mar. 15
Ottawa L. H. & P.	$1.50	Apr. 1	Mar. 15
Do., pf.	$1.25	Apr. 1	Mar. 15
Para. Pictures, pf.	$1.50	Apr. 1	Mar. 15
Do., 2nd pfd.	†75c	Apr. 1	Mar. 15
Porto Rico Pwr., pf.	$1.75	Apr. 1	Mar. 15
Pressed Metals	50c	Apr. 1	Mar. 15
Power Corp., pfd.	$1.50	Apr. 15	Mar. 31
Do., 2nd pfd.	75c	Apr. 15	Mar. 31
Premier Gold	3c	Apr. 15	Mar. 12
Do., extra	1c	Apr. 15	Mar. 12
Pioneer Gold	10c	Mar. 31	Mar. 1
Page-Hersey Tubes	$1	Apr. 1	Mar. 15
Pickle Crow	§5c	Mar. 31	Mar. 20
Reno Gold	3c	Apr. 1	Mar. 10
Riverside Silk	50c	Apr. 1	Mar. 15
Remington-Rand	15c	Mar. 26	Mar. 10
Do., stock bonus	1%	Mar. 26	Mar. 10
Do., extra	15c	Mar. 26	Mar. 10
Russell Motor	$1.25	Mar. 31	Mar. 18
Do., pref.	$1.75	Mar. 31	Mar. 18
San Antonio	7c	Apr. 20	Apr. 1
Sheep Creek	2c	Apr. 15	Mar. 31
South. Can. Pwr., p.	$1.50	Apr. 15	Mar. 20
Saguenay Pwr., p.	$1.37½	May 1	Apr. 15
Sher.-Williams, p.	*$1.75	Apr. 1	Mar. 15
Standard Steel, pf.	75c	Apr. 1	Mar. 15
Do., extra	*75c	Apr. 1	Mar. 15
Sylvanite Gold	5c	Mar. 31	Feb. 15
Do., extra	5c	Mar. 31	Feb. 15
Sun Life	$3.75	Apr. 1	Mar. 16
Stand. Fuel, pf.	$1.62½	Apr. 1	Mar. 15
Steel Co. of Can., c.	43¾c	May 1	Apr. 7
Do., pf.	43¾c	May 1	Apr. 7
Toronto Gen'l Tr.	$1	Apr. 1	Mar. 22
Toronto Mtge.	$1.50	Apr. 1	Mar. 13
Tip Top Tailors	15c	Apr. 1	Mar. 15
Do., pref.	$1.75	Apr. 1	Mar. 15
Tamblyn	20c	Apr. 1	Mar. 17
Do., pref.	62½c	Apr. 1	Mar. 17
Teck-Hughes	10c	Apr. 1	Mar. 10
United Sec.	50c	Apr. 15	Mar. 26
Viau Ltd., pf.	$1.25	Apr. 1	Mar. 20
Wabasso Cotton	25c	Apr. 1	Mar. 20
Weston, Geo.	20c	Apr. 1	Mar. 20
West Koot. Pr., pf.	$1.75	Apr. 1	Mar. 23
West. Grocers	60c	Apr. 15	Mar. 20
Do., pref.	$1.75	Apr. 15	Mar. 20
West. Assur., c.	$1.20	Apr. 1	Mar. 25
Wright-Hargreaves	10c	Apr. 1	Mar. 1
Do., extra	5c	Apr. 1	Mar. 1

▲Initial. †Of which 60c is on arrears. §Increased dividend of 10 cents payable June 30, 1937. *On arrears. Subject to ratification at meeting. •Apr. 29, 1937. ‡Mar. 19, 1937.

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Hyd.-Elec. Pr. Ont.	3½-5%	1952	Apr. 1	100
Can. Cons. Rub'r	‡6%	1946	Apr. 1	110
Can. Paper, A	6%	1945	June 4	103½
Avon River Pr. D.	5%	1964	July 1	103
Randolph Hotel	*6½%	1947	May 1	105
McColl-Fron. A	†6%	1949	Apr. 1	104
South. Canada Power, A	5%	1955	Apr. 1	102½
Woods Mfg., A	6%	1943	Apr. 1	102
Connors Bros.	6½%	1938	May 1	105
Can. Steamships	5%	1943	Aug. 15	105
Spruce Falls Pr.	5½%	Ser.	Apr. 1	101½
Mar. T. & T., A	5%	1956	July 1	104
Ames Holden Tire	7%	1943	May 1	105
Gen. Stl. Wares A	6%	1952	May 1	104
Hinde & Dauch A	5½%	1948	May 1	102½
Tor. Housing, A	•5%	1953	May 25	105

For sinking fund: *$9,000 †$117,000. ‡Private sale between Feb. 1, and Apr. 1, 1937, in Canadian funds. •$37,000.

Stock Issues:				
Anglo-Can. Tele. 7%		Pref.	May 1	55

Bond Tenders

3 p.m., Mar. 17, Hydro-Electric Power Commission—$19,000,000 as follows: $11,000,000, 2½% bonds, dated Apr. 1, 1937, due 1942; $8,000,000, 3½%, dated Apr. 1, 1937, due 1947. A. Murray McCrimmon, sec. and controller.

Municipal Finances

Halifax, N.S., has struck its 1937-38 tax rate at 36.2 mills. Total assessment is $58.2 millions so that the estimated tax revenue is $2.1 millions. The net value of taxes in arrears on Jan. 31, 1937, after deducting reserves, was $491,269. The net value of outstanding current taxes on that date was $583,715. Gross funded debt stands at $15,352,759, against which are held sinking funds of $4.8 millions.

* * *

Yarmouth, N.S., has struck its 1937 tax rate at $4.25 per $100 of assessment.

* * *

Truro, N.S., has struck its 1937 tax rate at $3.50 per $100 of assessment, compared with $3.55 in 1936. The assessed value of property is $4,804,320. Total receipts for 1937 has been estimated at $228,470.

* * *

Trenton, N.S., is reducing its tax levy, the 1937 levy being $3.30 per $100 of assessment, compared with $3.40 in 1936.

* * *

Bridgewater, N.S., has struck its 1937 tax rate at $5.50 per $100 of assessment.

* * *

Glace Bay, N.S., reports receipts in 1936 of $463,933. After providing for sinking fund payments of $60,179 the town had a deficit of $21,175.

* * *

Dominion, N.S., tax rate in 1937 will be $6 per $100 of assessment.

* * *

Winnipeg, Man., reports that operations of the city hydro in January resulted in a net profit of $52,659, compared with $36,279 in the same month of 1937. According to J. G. Glassco, manager, this presages a gross profit for the year of $200,000, compared with the estimated profit of $150,000.

* * *

Forest Hill, Ont., wealthy Toronto suburb, is faced with the prospect of a sharp increase in taxation in 1937 as a result of the action of the Provincial Government in retaining the entire revenue from the provincial income tax. The subsidy of one mill on its assessment is not sufficient to offset the reduction in revenue resulting from the loss of the income tax.

* * *

Lindsay, Ont., is reducing its tax rate further, the 1937 levy having been struck at 45 mills, compared with 45.8 mills in 1936. This is the lowest rate in six years.

* * *

Galt, Ont., had a surplus of $4,995 in 1936. This excellent showing was largely due to savings in relief costs. Relief expenditures amounted to only $89,354, compared with an estimate of $107,040. The council's objective is to reduce the 1937 tax rate to 40 mills.

* * *

Peterborough, Ont., has been notified by the city Trust Commission (sinking fund trustees) that the request of the city council for a contribution of $60,000 from excess earnings of the sinking fund in order to enable the city to reduce its tax rate in 1937 has been rejected.

* * *

Leamington, Ont., is negotiating with bondholders in connection with refinancing of the town's debentures which are in default. A preliminary plan has been drawn up by C. W. McDiarmid, fiscal agent.

* * *

Windsor, N.S., is seeking authorization from the Provincial Government to borrow $9,000 for a paving programme.

* * *

Pictou, N.S., has applied to the Provincial Government for authority to issue $15,000 of debentures in order to pay capital loans from the chartered banks and the Nova Scotia Government incurred in connection with a paving programme.

* * *

Verdun, Que., Catholic School Commission, in a private bill now before the Quebec Legislature, is seeking authority to issue $240,000 of debentures to provide funds for capital purposes and to meet a $50,000 maturity falling due in Jan., 1938.

* * *

London, Ont., in a private bill before the Ontario Legislature, is seeking authority to issue $370,398 of debentures. The bill also proposes that the property of the London and Port Stanley Railway should be exempt from taxation.

* * *

Belleville, Ont., is seeking a reduction in the size of its city council, the appointment of a city manager and the establishment of a public utilities commission.

* * *

Ottawa, Ont., has applied to the Ontario Legislature for approval of a debenture by-law of $200,000.

* * *

The Ontario Municipal Board has approved the city's application for authority to spend $350,000 in completing its storm sewer programme. It is stipulated, however, that the expenditure must be made over a two-year period and not more than $225,000 expended in 1937.

* * *

Sarnia, Ont., in a private bill before the Ontario legislature, is seeking approval of a debenture by-law of $33,280.

* * *

Penticton, B.C., reports a deficit of $6,760 on its general operating account in 1936 and on irrigation account a deficit of $12,849. Profits on its public utilities reduced this deficit to $7,389.

Debenture debt at the end of the year amounted to $1,098,200 against which there is held a sinking fund of $578,846.

* * *

Richmond, B.C., reports a surplus of $374 on its general operating account in 1936, compared with a deficit of $20,555 in 1935. Operations of the school board showed a deficit of $5,021.

Tax revenue for the year amounted to $86,641, compared with $71,956 in 1935, the increase being due to an increase in the tax rate. Collections of current taxes amounted to 80.9% of the levy, compared with 80.1% in 1935.

Debenture debt at the end of the year amounted to $1,189,900 against which there is held a sinking fund of $282,414.

* * *

Toronto, Ont., has tentatively struck its 1937 tax rate at 36.5 mills, the highest in the history of the city. The city has been granted permission to fund $1.7 million of its relief costs. About $600,000 or approximately 25% of direct relief expenditures in 1937 will be paid out of current revenue. It is estimated that the city's share of relief in 1937 will be $2,392,000, a reduction of $450,000 from last year.

Realty Firms Get Tax Relief

Basis for Business and Capital Taxes Changed

Real estate companies expect to obtain some relief through two bills recently passed by the Ontario legislature. The effect is helpful to companies with bonds held by the investing public.

Amendment to the Corporations Tax Act provides, in effect, that until real estate companies have earned 8% on their invested capital they will be exempt from necessity of paying any tax on paid-up capital.

Capital Tax Revised

An example of the way in which this would work out: A company with a paid-up capital of $100,000, a surplus of $25,000 and mortgages or bonds outstanding to the amount of $100,000, making a total capital of $225,000. If this company reported a net loss for 1936 of $10,000 after deducting $60,000 as interest on its mortgage debt, the provincial tax department, in calculating profits available for taxes, would add back to profits the $60,000 paid as interest. This would make a net profit of $50,000. Capitalizing this at 8 per cent would give $625,000.

Under the new law, such a concern would be permitted to deduct $625,000 from its paid-up capital in figuring its capital tax. As this company's total paid-up capital is only $225,000, it is clear that no capital taxes would be payable.

In actual practice very few real estate companies have been able to show earnings of 8% on invested capital. This concession, therefore, means that most of these companies will not be required to pay any capital taxes until earnings recover to a considerably higher level.

An amendment to the assessment act provides that assessment for business purposes of land used as supervised parking lots is raised from 10% of the assessed value to 25%. It is hoped this will have the effect of making it less profitable for owners of old buildings to tear these down and use the land for parking space.

Owners of garages in which cars are parked are required to pay business tax based on 25% of the assessed value of land and buildings. Formerly operators of parking lots had what garage operators claimed was an unfair advantage in only having to pay business tax on 10% of the assessed value of the property. While this bill may discourage demolition of old buildings and using the land as parking lots, it will also adjust an inequality in the assessment act and place all operators of parking facilities on the same footing.

Sladen-Malartic Considers Building 500-ton Mill

Sladen-Malartic Mines reports $429,963 in the treasury and all stock options exercised. A mill on the property is being considered, there being sufficient ore reserves to justify a 500-ton unit. Three definite ore bodies have been proved, and officials report at least 750,000 tons of ore averaging over $13 indicated.

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Housing Plan Sidetracked For One Year

Ottawa Awaits Outcome of Royal Commission Enquiry

From Our Own Correspondent

OTTAWA. — No good purpose would be served by proceeding with an ambitious low-cost housing scheme until the proposed new royal commission has concluded its review of the respective powers and responsibilities of the Dominion and the provinces, in the opinion of members of the Government. This is the principal reason why it has been decided to postpone any housing project for a year, The Financial Post learns.

While it is conceivable that pressure of public opinion might still induce the Government to make provision for a modest measure at this session, the difficulty of doing justice to a new housing bill in the limited time available makes such a change of policy highly improbable.

The National Employment Commission is anxious to see a programme launched which would employ thousands of workers directly and many other thousands indirectly. Considerable disappointment resulted when the Government declined to take the necessary action this session to implement the confidential report.

The waste of time and effort which attended earlier efforts to go ahead with schemes in fields of doubtful constitutional authority, such as the Unemployment and Health Insurance measure, was an important factor in the decision taken by the Government, it is reported.

Programme Submitted

The programme outlined by the commission was built about a model $2,500 house, to be erected in groups of 100 or more in order to obtain the benefits of mass production. It was proposed to ask the Federal Government for $5,000,000 a year for two years, and the provincial and municipal authorities for a like amount. This was to bridge the gap between economic rents and the rent which the average worker could afford to pay.

The technical and construction aspects of the programme have been worked out in considerable detail, but the economic implications of the scheme deserve further study, according to the majority view in government circles. Canada has never accumulated a fund of practical information in state assisted housing, and in order to avoid serious losses it is wiser, they believe, to proceed with caution.

Meantime the Home Improvement plan is taking hold at least as well as was expected. On a per capita basis it shows double the total that the United States programme did in the same number of months.

Vanc. Building Pays Interest Coupons

Stock Exchange Building Corp., operating an 11-story office building in Vancouver, B. C., part of which is leased to the Vancouver Stock Exchange, made an interest payment on its 6% first mortgage bonds on March 1, 1937. This payment was the installment of interest which became due Feb. 1, 1934, and was be made on presentation of coupon No. 10 at any branch in Canada of the Bank of Toronto.

The company paid two coupons on Oct. 15, 1936, and after the Mar. 1, 1937, payment interest will still be three years in arrears.

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B.C. Negotiates $3 Million Loan

Election Seen as Coming Early in the Spring

Entering the money markets for the first time since 1933, British Columbia has sold a $3 millions issue of 3% three-year bonds to a syndicate composed of A. E. Ames & Co.; Wood, Gundy & Co.; Dominion Securities Corp.; Canadian Bank of Commerce and the Royal Bank. No public offering is being made, the issue having been disposed of privately to institutional investors.

The loan, The Financial Post understands, was sold at a cost basis to the province of approximately 3½%, which is the lowest rate ever obtained by British Columbia in the Canadian market.

Reflects Improved Credit

Sale of the loan at this time, when there is considerable apprehension in regard to the financial position of the three prairie provinces, reflects the marked improvement in the financial affairs of British Columbia during the past two years.

In the year ended Mar. 31, 1936, the province had a surplus of $2.6 millions on ordinary account. During the current year there has been further improvement, revenues exceeding estimates. It is expected, in fact, that the province will have $2 millions to apply against unemployment relief costs which have previously been financed by borrowings from Dominion Government. With business in British Columbia continuing to show improvement, the objective of Hon. John Hart, minister of finance, of a balanced budget may be achieved in the not too distant future.

Announcement of flotation of the loan came as no surprise. Late last year the Government announced that it hoped to be able to borrow money for highway projects, and during the past two months Premier T. D. Pattullo and Hon. John Hart have spent considerable time in Toronto, Montreal and New York carrying on negotiations.

Election Forecast

Proceeds of the issue are to be used for public works, including highways. Now that this work can be launched, expectations are that the Government will go to the country in the near future. Expectations, in fact, are that the election will be held in June.

The only possible hindrance to this plan would be a break in the Cabinet over the controversial issue of health insurance. Party leaders are hoping to settle this by leaving the decision to the voters, and it is probable that a plebiscite on British Columbia's latest departure in social legislation will be held at the same time as the election.

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ADVERTISING RATES

Single insertion—$3.64 per inch.
Debenture and Dividend Notices—26c. per agate line.
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TORONTO, MARCH 20, 1937

The Financial Post's Platform for Canada

1. *Balanced budgets.*
2. *Abolish politics in C. N. R.*
3. *Merit system in public service.*
4. *Freer foreign trade through Empire preferences and foreign treaties.*
5. *Stable tariffs for balanced development.*
6. *Stricter laws to protect investors.*
7. *An even break for Canadian national newspapers and periodicals.*
8. *A modernized constitution.*
9. *Integrity in meeting public obligations.*
10. *Wider markets for our farms.*

The Fathers of Re-Confederation 2.

IT IS not likely that we shall ever achieve a permanent and rigid distribution of powers between the Dominion and the provinces. There will always continue to be anomalies.

The province marries you but the Dominion divorces you.

The province can take away your capital, but it cannot cut your interest.

The Dominion can tell you what wages you must pay if you make goods outside of Canada and want to sell them here, but it cannot tell you what wages you must pay if you make them in Canada.

The Dominion defines what makes you a murderer, but the province has to find you guilty and then turn you over to the Dominion to hang you.

But while we cannot achieve a permanent and clear-cut distribution of powers we can at least try to arrive at a workable and well understood set of principles and also set up a system of revising them when necessary. One reason we want to do that is to get away from endless appeals to the Privy Council. There have been at least 125 major litigations in connection with the British North America Act, and we still do not know where we stand.

In the main, every type of government in Canada has been not only jealous of its existing prerogatives, but ambitious to assume new ones. Today we have ten governments in the field of agriculture. We have ten governments in the field of health. We have ten governments incorporating companies; we have ten governments attempting to police the activities of business and ten governments having to do with water powers and old age pensions, with insurance and labor problems.

We have more than that number of governments in some fields. There are about 27,000 public spending and taxing bodies in Canada. In unemployment relief, for example, we see hundreds of individual governments seeking to have as large as possible a control over the expenditure of the money and as little as possible responsibility for raising the money.

Things have come to something of a crisis. The crisis is revealed on every hand. It is revealed in the guarantees and loans of over $140 millions that have had to be made by the Dominion Government to the western provinces to enable them to finance themselves through the depression.

It is seen in the financial plight of the municipalities. They have little but real estate to tax. It has become obvious that they cannot carry all their social responsibilities with the revenue that can be derived from real estate. Anyone who owns property knows what this means. From one-quarter to one-third municipal taxes go to finance social relief measures and additional educational facilities which were not known a generation ago. Social services alone take 14 cents of the city tax dollar in Toronto. The possible rental from property is in only a few cases great enough to cover this extra cost.

One responsibility of the soon-to-be-appointed Royal Commission on Public Finance will be to investigate all these financial problems and draw up a new pattern for the financial basis of Confederation. It must survey the field and see what sources of revenue there are, where the most feathers can be plucked with the least squawking. It must survey the responsibilities of governments and see which class of government can most efficiently function in any particular sphere.

Having done that job, its duty will be to advise as to a new deal all around. It must tell us how best we can allocate the different jobs to be done. It must then tell us how best we can give to each government the revenue sources, particularly in the field of taxation, that will enable those jobs to be done.

If the Commission serves us well, we may progress a long way toward creating in this country the unified nation that our forefathers dreamed of. We may achieve the ideal, spoken of by Mr. Dunning in his budget speech the other day, of having each government stand upon its own feet.

Owners by the Thousand

IN THE annual report of National Breweries, the president, Norman J. Dawes, pointed out that his company has over 6,000 shareholders of whom 95 per cent are Canadians.

The Montreal Gazette adds some pertinent facts about other companies, as well.

Shareholders and debentureholders of Montreal Power number 46,761, of whom 86 per cent are resident in the province in which Montreal Power does business. Shawinigan Water and Power, another Quebec Province utility, has 18,340 shareholders, of whom more than half reside in the province.

Widespread diffusion of ownership of this character makes companies actually publicly-owned. A company with thousands of shareholders can hardly be regarded as anyone's private property.

Mr. Roosevelt invented the phrase, "economic royalists," to describe the owners of large-scale business. It is not a very apt phrase because company ownership is every day broadening out and is rapidly becoming as democratic a thing as the franchise itself.

"Fundamental and Enduring"

TIME, News-Week and their imitators represent a new journalistic technique that is as old as Lot's curious wife. In theory they take the news of the week, distill from it the essentials, pour in relevant facts to clear the mixture, and present it before it has stopped fizzing.

That's the principle of the thing. In actual practice the technique consists very often of hunting for the Smart Aleck thing to say about some matter of high public importance. These papers would rather tell about the color of a statesman's cravat than about what he said. It is more important for a continental king to be seen in the company of a blonde than for him to start a world war. Irreverence is always the key-note. Baldwin "bumbles"; Bennett is "rich, pious"; Hepburn is "New Deal"; King is "squat".

Here is a fair sample of this new technique of reporting practised by the "new-mags".

"Last week the Prime Minister of Canada, W. L. Mackenzie King, visited President Roosevelt at the White House and stayed overnight. Throughout dinner and the evening Mr. Roosevelt and his guest discussed the trade agreement binding the two countries, and prospects for ratification of the proposed St. Lawrence Waterway Treaty.

"Early next morning Jack Nichols, the Prime Minister's valet, rushed out toward Pennsylvania Avenue, yelling for a taxi. None was in sight. A guard asked what all the excitement was about; Nichols revealed the Prime Minister had brought only one pair of socks—and needed another."

This item appeared in the paper that says its aim is to give its readers "a fundamental and enduring understanding of the causes that shaped our yesterdays and the trends that influence our tomorrows."

The difference between this type of journalism and the old garish Sunday newspaper sensationalism is the difference between spinach and beet tops. If a man does not like sand in his vegetables there is no difference at all.

Our Sane Country Weeklies

AN EXAMPLE of journalistic courage of a very high order has recently been displayed by the country weeklies of Alberta. It is said that more than 95% of the weekly newspapers of the province have opposed Mr. Aberhart and his social credit futilities. They have consistently exposed the money messiah's political hypocrisies and combatted the fallacious and, at times, somewhat fantastic economic doctrines with which he has attempted to beguile the people of his province.

To the man who knows nothing of the problems of the publishing business it may seem that this opposition to Mr. Aberhart is a perfectly normal course for the country weeklies of Alberta to pursue. But if one appreciates the position occupied by the country weekly publisher or editor in his community it will be seen that it has needed a good deal of fortitude for these men to take a stand that is momentarily most unpopular even though in the long run it must prevail.

The country weekly publisher is usually the chief job printer in his community. He makes his living out of the advertising of the local merchants; and by supplying the people of his community with their bills of sale, their posters, their letterheads, their statement forms, the announcements of their social activities and so on. No one is in more intimate contact with the local people than the country weekly editor and no one is more dependent upon their goodwill and support.

Alberta has been engulfed in a wave of mass hysteria. Social credit has become the fetish of a new and emotional monetary religion. Any man who refuses to be swept along with the unthinking masses, when such an emotional tide takes hold of things, is usually as unpopular as a loyalist in times of rebellion, a democrat at a Fascist demonstration, or a judge at a lynching party. He is jeered at, reviled and persecuted.

The simplest thing for the country editors of Alberta to have done would have been to go along with Aberhart and social credit and then change back as the public's mind changed. But the country editors of Alberta decided to hold out for sanity and common sense.

The courage that they have shown is typical of the type of stable, honest leadership at all times displayed by the country press of Canada. Canada's rural weeklies are seldom swayed by those hysterical outbursts of political extremes, which seem so easily to catch hold of mass opinion in the cities, only to give way in time to extremes of opposite thought. If one wants to know what the nation really thinks at heart, what its true common sense viewpoint is, one can usually find it by a perusal of the editorial pages of the country weeklies of Canada.

The present situation in Alberta merely demonstrates a truth that has been recognized for many years by shrewd observers of contemporary opinion in Canada.

A Task for Mr. Bennett

A READER of The Financial Post makes a suggestion. He calls attention to the recent suggestion by Rt. Hon. R. B. Bennett that a national conference should be called to overhaul Canada's constitution. This suggestion, when made by Mr. Bennett, was granted the tacit approval of the Prime Minister and it may be regarded as a matter outside the realm of party controversy.

Our reader points out that Mr. Bennett is likely to retire from the leadership of the Conservative Party in the not-too-distant future. Why not, he suggests, take advantage of Mr. Bennett's profound knowledge of Canadian constitutional matters and his never-questioned ambition to strengthen the foundations of Canadian nationhood by asking him to act as chairman of the constitutional conference?

The suggestion gleams with the brilliance of sheer genius. The constitutional conference, when it comes together, should be a thoroughly non-partisan body. For a Liberal prime minister to ask a Conservative ex-prime minister to lead such a gathering would ensure a greater degree of freedom from purely partisan controversy than it might be possible otherwise to obtain.

There may be those, knowing more about the political attitudes of the average Canadian partisan than an independent paper like The Financial Post can ever hope to, who would hold the view that no good could come from such a suggestion. And it must be admitted that there has been a good deal of criticism in South Africa of the appointment of Patrick Duncan, as Governor-General. It is said, for instance, that right up to the moment of his appointment, Mr. Duncan had been actively engaged in politics—a fatal objection and a very bad precedent.

Mr. Bennett himself becomes less partisan each day. In fact, he is at the moment not sufficiently partisan to please his own followers. And no one will deny that in a matter such as the modernization of Canada's constitution, he would be a Canadian first, an Imperialist second and a Conservative not at all.

It is not likely that the idea will be adopted. Things are not often done that way in a country where political parties take themselves as seriously as in Canada. But it has been pleasant for a moment to toy with the idea.

Editorials in Brief

"Hydro Debt Cut $54,572,857 Under Hepburn," says a headline in the Toronto Star.

The headline could hardly be more misleading. Ontario's publicly-owned power system has been reducing its debt to the Government of Ontario, partially through the operation of the regular sinking fund set up on all of its issues, partially by using up sinking funds accumulated over a long term of years, and partially by issuing its own bonds to the public and using the proceeds to repay advances from the provincial treasury.

So when the chairman of the Hydro Commission is reported as saying that the entire debt will be wiped out in 30 years he means that the advances from the province will be wiped out in that period. But Ontario Hydro will still owe a considerable amount of the money to the investing public who have bought its bonds. And these bonds will be guaranteed by the province, so that provincial credit will still be involved.

If the Liberal Toronto Star misrepresents the situation, so do some of the Conservative newspapers of the province whose headlines suggest that the repayment of advances from the province out of Hydro's accumulated sinking funds represents a "raid" on those funds.

"Hydro Fund Used to Cut Ontario Debt," shrieks the Toronto Telegram, adding, "Reveal $28,000,000 Taken From Hydro Sinking Fund."

Actually there is no need for misrepresentation or misunderstanding. The power system is simply working to the end of operating on capital it will borrow by selling its own bonds guaranteed by the province instead of on capital borrowed from the provincial treasury and obtained by the province from selling provincial bonds. It is a simpler and more businesslike system although it would be wrong to assume that the Hydro will then be financing itself without leaning on the provincial credit. That situation will not apply until Hydro is able to sell its own bonds without a provincial guarantee.

At the same time that Ontario Hydro is changing its debts from provincial advances to its own bond issues, it is reducing its total debt by sinking funds set up out of earnings.

Sayings of the Week

"Peace is to democracy what fresh air is to life."—*Dr. A. E. Morgan, principal of McGill University.*

* * *

"Too much work entailed."—*Hon. W. W. Cross explaining government's failure to set up credit houses in Alberta.*

* * *

"When tree life goes human life does not long survive in that area."—*Hon. C. A. Dunning on forest conservation.*

* * *

"This is a day of high speed, a day in which we hurry rapidly to get from one place to another."—*Rt. Hon. R. B. Bennett.*

* * *

"Though we may be slow at starting we have a remarkable way of finding ourselves at the winning post."—*Sir Samuel Hoare.*

* * *

"I believe the time has come in the history of this country when all parties should be prepared to go into a huddle."—*J. H. Blackmore, M.P.*

* * *

"French communists are gentle fellows and there is something about the wine they drink which counsels patience."—*Abbe Ernest Dimne.*

* * *

"A modern battleship could stand off seven miles and blow Canada's four destroyers to pieces in ten minutes."—*Hon. C. C. Ballantyne in the senate debate.*

* * *

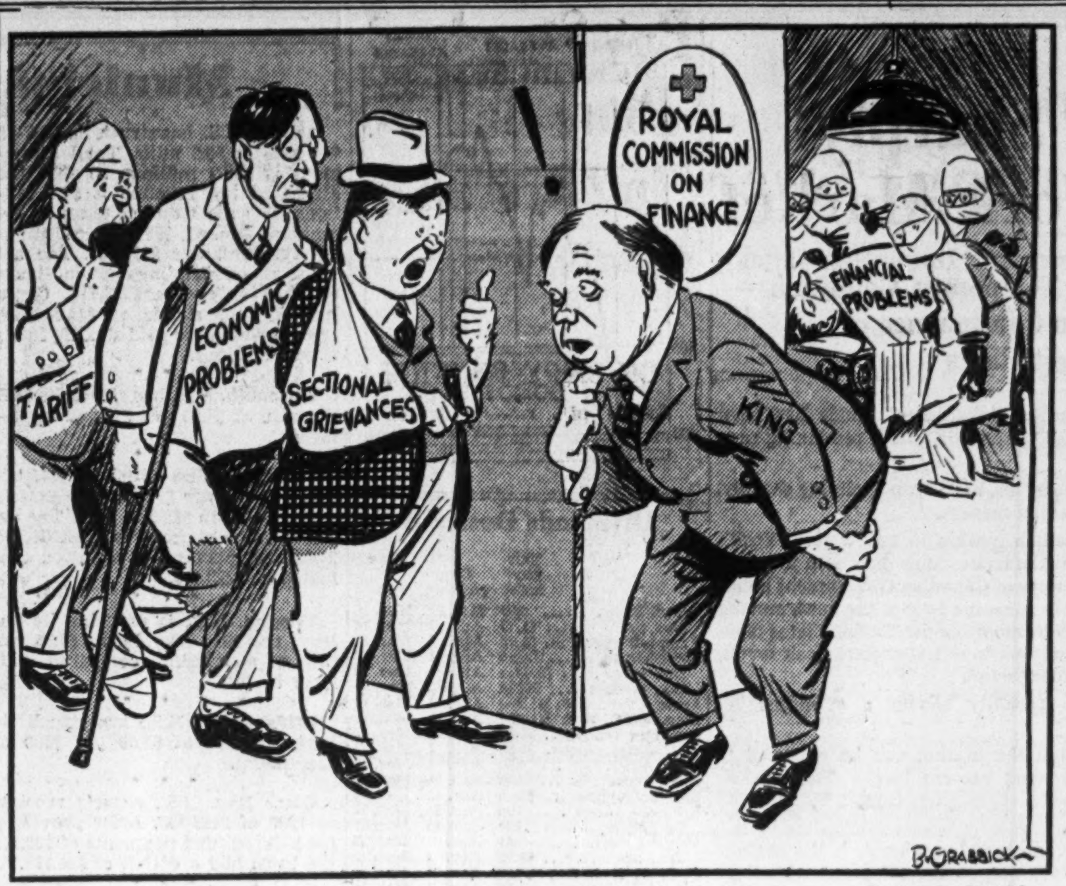
"I never said that Social Credit was a failure. I merely said that for several reasons we had been unable to introduce it in 18 months."—*Premier Aberhart.*

* * *

"It would be most unfortunate if apprehension of imminent war were created at a time when we have no reason to suppose there is any justification for fears of that kind."—*Rt. Hon. Neville Chamberlain.*

* * *

"Instead of gaining a reputation for solving problems we have become noted for our insanity and imbecility."—*David Duggan, Alberta Conservative Leader attacking the Aberhart government in the legislature.*



—Cartoon by Grassick

ONE PATIENT AT A TIME IS ENOUGH

Is it Peace or War?

The Lights Going Out
Nathan & Rosselli Letter

That now neglected writer, G. E. Buckle, argued with considerable persuasiveness that it is not governments which produce the progress of civilization; it is increase of knowledge. Buckle, it is hardly necessary to add, wrote in Victorian times. But he may have been right for all that. There is no doubt that governments today believe that they alone can hasten the coming of the time which will be perfectly urbane and completely informed. The forest of glittering spears everywhere apparent shows that the governments are deceiving themselves. Not only have governments taken to themselves the task of making the world civil; everywhere education is being substituted for knowledge.

Sir Edward Grey, as he then was, spoke in his most memorable speech of lights going out one by one in Europe, lights which would not be rekindled in our generation. How true that prophecy was: how moving to those who, the glimmering stars above, have watched from some quiet hill the small gleams disappear from cottage windows deep below. Europe is going back to far earlier than the time when those friendly lights were seen; it is going back because it has no dynamic to urge it forward. The ideal of collective security has become a ghost haunting the battlefields; international trade is becoming a branch of political manoeuvring and international finance has contracted to a span.

The War Boom in England
Leopold Joseph & Sons Letter

There will be a day of reckoning but it will probably be long delayed. This can best be appreciated if the present rearming period is regarded as a kind of war phase, a war without slaughter. The years 1914-18 taught us how long a false boom can be sustained by swirling round and round the domestic pool the same money, enabling millions of beneficiaries to lave in its swirlings. When Britain armed fast and terribly in the war years she was able to keep some 5,000,000 men in industrial idleness on good rations with all kit found. Now that she is again to arm fast and terribly, she will be able to keep all her population in a similar state of prosperity. Only when she has to face the external bill will the falsity of the position translate itself into suffering.

There is no point in crossing bridges until one comes to them. If we are to have a period of politico-economic madness forced on us by the craziness of other nations, let us make the best of it. No man smitten with a delusion of grandeur can be brought to his senses by a warning that the next stage of his disease is melancholia, and so it will be with Britain, as the arm boom gathers way and weight.

After the Napoleonic wars, steam saved us. Much may happen before the boom subsides.

In the meantime those who grasp the position, while enjoying the fruits of the boom, may recall the episode of the Great War when one Anzac called from his fire-bay to a friend in another fire-bay, "What are you doing, Digger?" and received the very human reply, "Praying like Hell!"

Scales Tilt Slightly to Peace
Whaley-Eaton Foreign Letter

The crisis in directionals each day becomes more obvious. Which way; toward peace or toward war. The decisions reached over the next few weeks will probably be determinative. The latest moves by Blum, the Anglo-French-American conversations, and the decision to strengthen the tripartite currency agreement are parts of the major economic pressure that is devised to coerce Hitler and force him from an accommodation. It is well recognized in diplomatic groups that every day now is a critical day—that the crisis is not tomorrow, but now. Formal proposals from Hitler are expected at any time. He is quite ready to join in a Locarno for western Europe, now that a Fascist victory in Spain seems assured, but refuses, so far, to make any concessions as to German moves to the East.

Berlin, Rome in Trap

The combined Anglo-French armament expenditures, if carried out, would total not less than $12 billions over the next five years. This would involve turning much of the productive industrial plant of both countries over to armament. Active buying of materials—a prospective greater buying—is driving prices up and this severely penalizes both Germany and Italy, who must purchase in great quantities from abroad. Both Berlin and Rome are thus caught in a trap. Britain, for instance, can double or treble the war production of Germany and Italy together. Time, therefore, plays on the side of London. For this reason, Berlin, if intent on war, cannot afford to delay, but must take her chance before British preparedness is completed. Again, both London and Paris have heavy holdings of cash equivalents in the United States, which (despite any neutrality law) would be a principal world reservoir of supplies in wartime.

Despite outward appearance to the contrary, the scales dip slightly in favor of peace. The Anglo-French drive is militant, vigorous and alert. The static attitude has disappeared. The economic factors are overwhelmingly in favor of London and Paris. Moreover, both capitals are willing to make economic concessions of value to Berlin. They want peace and they believe it can be had.

There is no question as to where armament is leading. At Edinburgh, Neville Chamberlain, Chancellor of the Exchequer, said:

"Nothing but stark necessity would have made me confess to such a negation of common sense and common humanity . . . I cannot dismiss the hope that we and other nations of Europe may presently find some less suicidal way of ending our fears and suspicions of one another before we are all ruined by our own efforts to defend ourselves."

Inflation Is Inevitable

If war preparedness continues, the tripartite agreement can be of only temporary help. What Chamberlain means by "we are all ruined" is that inflation, which is confiscation of capital, is inevitable as things are now going. That is realized by all intelligent European capital, and must be a deterrent to repatriation of funds. The inflation cannot be confined to Europe. Already, it has induced a demand for commodities that is reflected in rapidly rising American prices.

The truth is that there is war in Europe now—economic war—and its consequences are evident in the world economy. Nor would a negotiated peace wholly stop the inflation, for a peace demand for goods might easily equal or exceed the war demand.

New Books

Enemies Within the Gates

INVASION '14. By Maxence Van Der Meersch. Translated by Gerard Hopkins. Published by The Macmillan Co. of Canada, 70 Bond St., Toronto. Price $2.75.

What is the daily life of the inhabitants of a country when it has been invaded by enemy troops, when its villages and towns are lost to the enemy, recaptured and lost again? Maxence van der Meersch was a boy of seven when the war broke out. He reached his 'teens in occupied territory, experiencing all the misery and terror of being a civilian in a war zone, and a very young civilian at that. Now, at the age of 30, he has written a novel of the life of the people in a small corner of northeastern France during those four years of uncivilized destruction. It is primarily a story of human selfishness and cruelty, relieved by bright flashes of good humour.

"Invasion '14" is not anti-Hun propaganda. Here is none of the "barbarities" that were invented during the war to rouse allied passions against the common foe. The invading troops are cold, hard, business-like but not more cruel than soldiers need to be. Van der Meersch's chief desire is to tell about the invaded people themselves, to reveal their own selfishness, their craftiness, their lack of good neighborliness one to another. Every Canadian soldier who arrived at a low estimate of the people he was fighting for will find his own ideas presented here through an enlarging lantern. War seemed to take people of reasonably normal types and magnify their worst characteristics. Their better natures, like their gold and their few treasured family possessions, were deeply buried for the "duration."

The novel teems with characters from German scientists caught in the jam of war to stupid French peasants. The characters are living people, so skilfully are they created. Those who like their fiction harsh and realistic will find this a magnificent, sweeping epic. But it is not for weak stomachs.

Why Is a "Joiner"?

FIFTY MILLION BROTHERS. By Charles W. Ferguson. Published by Farrar and Rinehart, Toronto. Price $3.

At last the "joiners" have found a biographer. The Masons, the Maccabees, the Hoo-Hoo's, the Rotarians, the Kiwanians, the "frat" men, the sorority women, and the members of those clubs and societies that exist to prevent or to foment trouble, or to propagate ideas can now boast an unofficial interpreter, a man who can write about them in a manner that is at once kindly and candid.

Mr. Ferguson took seven years to dig up the facts that he has here spun together to make a racy history packed with human interest. He has chosen a subject that could have lent itself to windy platitudes about human brotherliness and that could have lent itself equally well to unrestrained fun-poking and debunking. Mr. Ferguson, wisely, has refrained from both.

Why do men and women join fraternal societies, service clubs, patriotic organizations? How did the groups get together in the first place? Some of them had their birth in human loneliness. In a world of manifold amusements and distractions that would not adequately explain their vitality and performance. "Every society of importance established here, whether it has been content merely to propagandize or has embodied its ideal in the picturesque imagery of a ritual has been the incarnation of the intangible, the utensil in which men and women have sought with varying degrees of success to distill their ideas and loyalties. Each has been an attempt to think in symbols common to all." So reports the author.

No Side Show

He adds, in words that are as applicable to Canada as to the United States, of which country he writes, "Our clubs and lodges, even in their singular variety and exuberance, are but a perfectly natural expression of American life—not a side-show spectacle to be gawked and snickered at. They are a revelation, not a puzzle."

While the author is frankly in a difficult box when he comes to look for positive social motives in some of the more amusing organizations that serve nothing but a gregarious purpose he does not hesitate to search out and extol the broader human objectives of other organizations. His references to the Independent Order of Foresters, one of the several Canadian-born bodies dealt with are typical of his more more kindly interpretations. He says "The demonstrated skill with which these benefit societies, after ghastly periods of trial and error have learned to handle their finances and human adjustments is not less remarkable than the amount of quiet and unobtrusive good work they do for their fellows. They are ventures in brotherhood as well as co-operative and non-profit business undertaking. The I.O.F. will clothe and educate all full orphans under fourteen years of age left by its members. In case any of its 140,000 members contracts tuberculosis, his transportation is arranged to a special sanitorium built by the Foresters, and he is treated free until the disease is arrested or he is discharged by the physician. It is easy to overlook the vast lessons in voluntary association and co-operative living that these societies teach to a world perplexed, and the impetus they give to good-will and charity. . . . No one can study their history . . . without a renewed faith in the ability and integrity of the human race."

Reading "Fifty Million Brothers" will amuse, distract and inspire, and anyone who does not read it will never thoroughly understand the psychology of North American life at the noon hour.

As Others See Us . . . .

$686 a Minute
Amherst News

That, according to an estimate of the Toronto Financial Post, is what Canada's mines and quarries are producing now. About one million dollars for every 24 hours.

And this is not merely in gold, nickel and copper. There is lead. Last year Canada's lead production totalled nearly 388 million pounds. This is at a time when there is a lead famine in the world, when the price of base metals soars.

So with zinc. At a time when there is a world shortage of zinc, with consequent increasing prices, Canada is producing 324 million pounds of zinc, is developing new zinc properties.

There is much speculation in Canadian mines at present; perhaps too much. That does not alter the fact that Canada's mines have become one of her mightiest assets; that, almost as much as anything she possesses, they are underwriting her future prosperity.

Folks in Finance

He Worked for Edison and Rhodes

AFTER being associated with leading mining enterprises in widely separated parts of the world, A. F. Brigham resigned recently from the post of consulting engineer of the Hollinger Gold Mines, to become the head of his own company, Brigham Mining Associates, a private company. It has as its shareholders a small group of wealthy men in Canada and other countries. No stock has been sold to the public. It will venture forth in search of new mines for Canada.

Mr. Brigham is perhaps the only man in the world who can boast of having worked for two of the most colorful figures of the past generation, two men whose names will live for centuries. These men were Thomas Alva Edison and Cecil John Rhodes.

As a boy, Brigham worked in Edison's East Orange laboratory, starting first at the lowly task of sweeping the floor and working his way up to a position as one of Mr. Edison's assistants in his experiments. Back in 1889, Mr. Edison needed nickel for his newly developed storage batteries and was having some difficulty in obtaining supplies. He heard of the nickel deposits near Sudbury, Canada, and sent for samples of the ore which arrived in steel oil drums. Brigham and another boy in his 'teens, John Van Nostrand Dorr were among the men put to work on it. When they ran into serious metallurgical problems that were over their heads they realized that their educational background was not good enough. They talked over the situation and decided to work their way through college. Dorr went to Rutgers and moved on from there to become one of the world's most famous designers and builders of mining plants. He is now head of the Dorr Company and every mining manager in the world knows him while most mills use one or more processes that he invented.

Brigham went to Lehigh. He graduated, then spent some time in the Cour d'Alene mining country and came back East to manage a coal mine. At the beginning of this century Rhodes wanted more men to operate his rapidly expanding mineral enterprises in South Africa. He asked for three U. S. mining engineers. Brigham was one of those chosen. He arrived in South Africa during the Boer war, took over a coal mine belonging to Rhodes and eventually joined De Beers Consolidated in the diamond mines of Kimberley where he spent many years. Besides Rhodes he knew Oom Paul Kruger, Dr. Jamieson, and other famous figures of South Africa's creative days.

Mr. Brigham came from the diamond mines of Kimberley and the gold mines of Johannesburg to his post at Hollinger.

Other People's Views . . . .

A Poetic Satire
Calgary Herald

The following poem, addressed to William Aberhart and signed J.W.T. appeared in the Social Credit organ last Saturday:

Silver-tongued preacher,
Our premier and guide,
Christian and teacher,
In you we confide.

A new day is waking,
Light fills the sky,
Clouds now are breaking,
Real hope is nigh.

Even the knockers
Don't shout so loud.
It seems, like the mockers,
They're lost in the crowd.

If every Albertan
Stands steadfast and true,
Proves loyal and certain,
I know we'll win through.

Fear not your berators,
Foes or false friends.
Like all who are traitors,
Each meets his just ends!

On closer inspection, the initial letters of the different lines spell out the sentence "Social Credit is piffle." Apparently, J.W.T. put something over on the Premier's personal organ.

Keeping up With Prices
Hardware & Metal

A wide range of hardware merchandise has advanced rapidly in price during recent weeks; and there should be no hesitation on the part of hardware merchants in bringing the prices of their merchandise into line with replacement values. Wholesalers are doing this, because it is the sane thing to do and also because any wholesaler knows that there are difficulties in financing a business if he is forced to replace merchandise at much higher prices than those at which he sold his former stock. The hardwareman is in the same position. Hardware merchants will pay within 10 to 15% of the selling price of merchandise for new stock to replace goods sold. Realizing the cost of doing business it is uneconomical to leave selling prices unchanged after costs have advanced.

When prices were on the downward trend a few years ago, retailers and wholesalers took big losses on inventories. These losses, in the case of some large wholesale and retail concerns, ran into many thousands of dollars each year and made it very difficult for them to make any kind of a showing in those years. With that experience still vividly in mind, such retailers and wholesalers can quite conscientiously advance prices to the basis of replacement value at the present time and take what advantage there is in it for them. In some highly competitive areas where the line of least resistance is usually followed in selling and the lowest possible price is quoted, there may be some difficulty in following this practice on some lines. As a general policy, however, it should be put into effect at this time wherever possible.

Stop Me If You've Heard This One . .

Fifer—Do you believe in the survival of the fittest?

Groot—I don't believe in the survival of anything. I am an undertaker.

Week in Business

Big Wage Increases Boosting Buying Power

New Business for Depression-hit Industries Quickly Translated Into Fatter Pay Envelopes — Deferred Buying Hits Snag

Wage increases are adding millions of dollars to Canada's purchasing power.

This week both International Nickel and Steel of Canada joined the steadily growing list of Canadian companies which have been swelling pay envelopes, a 10% jump being announced in both cases. With the big nickel producer the increase will add $1.5 million to the spending power of the company's employees.

True, the cost of living has risen considerably in the past 12 months and some of these increases will be absorbed in this way, but there will remain a considerable portion to put into new furniture, new clothing, new houses and new motor cars.

* * *

Unlike the proposed railway increases, these upward revisions are justified by the rapidly increasing business enjoyed by the companies concerned. In the case of International Nickel, Steel of Canada and similar companies, they have come successfully through a most difficult period, a period when the demand for their products shrank to abnormally low proportions.

The recent wage increases represent a restoration of, rather than new, buying power, but it is a genuine restoration, well earned, and comes after more than five years of restricted purchasing by employees.

* * *

If proof of greater durable goods consumption in Canada were needed than the reports of steel and allied companies themselves, that proof is forthcoming this week with the report that builders and manufacturers are unable to secure prompt delivery of "metal sheets." This material, used extensively in siding, roofing, doors and for light manufacturing, cannot be promised by the steel mills for many weeks. Orders already booked, it is stated, will tax Canadian mills to capacity for several months.

As a result the consumers of "sheets" have appealed to the Dominion Government to lift temporarily the duty and allow free entry from Great Britain and United States. In view of the demand on steel mills in both those countries, however, it is doubtful whether such a move would promptly relieve the situation here. For some time many British mills have been unable to promise delivery for six months to a year on certain lines and the situation is believed not a great deal better in the United States.

Apparently industry is paying the inevitable price of too long delayed buying during the low prices and slack periods of the depression.

Favorable

Gross earnings of both railways up substantially over previous week. Dominion Bureau of Statistics index shows rise of almost 7 points. Newsprint production, sugar manufacturing both higher.

Business Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

	WEEKLY DATA — Latest		Cumulative Total — Jan. 1 to date	
	1937	1936	1937	1936
Transportation—				
Car loadings (Mar. 6)	▲47,345	45,263	418,564	366,917
C.N.R. gross earn. (Mar. 7)	$ ▲3,816,991	$ 3,304,020	$ 32,190,733	$ 30,000,041
C.P.R. gross earn. (Mar. 7)	$ ▲2,633,000	$ 2,413,000	$ 22,731,000	$ 21,016,000
Business Conditions—				
Weekly index D.B.S. (Mar. 6)	▲115.9	109.1	......	......
MONTHLY DATA				
Business Conditions—				
Financial Post index (Jan.)	118.7	108.1	......	......
Transportation—				
C.P.R. net revenue (Jan.)	$ 913,509	$ 612,572	......	......
C.N.R. net revenue (Jan.)	$ 83,223	$ ‡576,330	......	......
Iron and Steel (Jan.)—				
Pig iron production (tons)	66,400	61,336	......	......
Steel ingots and castings prod. (tons)	115,237	100,225	......	......
Automobiles (Number)—				
Passenger Cars:				
Domestic sales* (Jan.)	8,522	4,747	......	......
Factory output (Jan.)	15,009	11,261	......	......
Trucks and Buses:				
Domestic sales* (Jan.)	1,677	869	......	......
Factory output (Jan.)	4,574	2,041	......	......
Exports (Jan.)	5,314	6,622	......	......
Construction—				
Building permits (Jan.)	$ 1,684,502	$ 1,302,758	......	......
Contracts awarded (Feb.)	$ 8,728,800	$ 8,227,700	$ 15,351,000	$ 21,838,100
Newsprint (tons)—				
Production (Feb.)	▲275,532	221,569	563,223	449,524
Exports, tons (Jan.)	259,543	184,883	......	......
Sugar (lb.)—				
Melting & sales§ (raw)	▲22,026,102	20,434,690	43,699,603	41,489,975
Manufactured§	▲20,934,196	20,769,861	42,886,466	44,814,535
Flour (bbls.)—				
Production (Jan.)	1,008,630	981,988	......	......
Wheat flour exports (Feb.)	347,884	340,102	661,807	654,413
Trade—				
Retail trade (index no. of sales) (January)	75.5	69.4	......	......
Imports (January)	$ 51,882,618	$ 40,590,276	......	......
Exports (January)	$ 83,416,124	$ 64,744,324	......	......
Wheat exports (bus. (Feb.)	5,362,031	14,241,169	15,151,058	21,798.489
Employment D.B.S. Index (Feb. 1)—				
All industries	104.1	98.4	......	......
Manufacturing	105.3	98.5	......	......
Electric Power Output (Jan.)—				
Total monthly m.k.h. (000's omitted)	2,319,158	2,091,041	......	......
Other Industrial Indices—				
Lumbering:				
Plank & board exports M bd. ft. (January)	156,913	72,236	......	......
Boot & shoe prod., pr. (Jan.)	1,482,017	1,513,959	......	......
Crude petrol., imp. gal. (Jan.)	54,639,651	61,131,349	......	......
Cotton imports, lb. (Jan.)	15,139,187	19,939,607	......	......
Raw rubber imp. lb. (Jan.)	3,656,423	3,938,272	......	......
Coal imports, tons (Jan.)	574,877	452,678	......	......
Cigarette cons., (Dec.) No.†	435,425	461,468	5,600,448	5,305,369
Finance—				
Bank debits (Jan.)†	$ 3,227,355	$ 2,992,068	......	......
Bond sales (Feb.)	$ 98,524,192	$ 138,788,775	$ 305,795,692	$ 289,445,889
Life insurance sales (Jan.)	$ 28,764,000	$ 34,221,000	......	......
Automobile Financing (Jan.)—				
Used cars	$ 1,421,014	$ 1,016,336	......	......
New cars	$ 1,848,131	$ 1,054,002	......	......

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For 4 weeks to Feb. 27. ‡Deficit.

Montreal Engineering May Build Power Line

From Our Own Correspondent

REGINA.—Negotiations that may lead to construction of a $1.3 million hydro-electric line from Red Deer, Alta., to Saskatoon, Sask., are under way here between the Montreal Engineering Co. and the Saskatchewan Power Commission.

Since Saskatoon's power plant is part of the commission's system these negotiations may disclose the future power policy of the Government. For the last five years the commission has had such a grip through legislation on the power situation, that private companies were prohibited from expanding.

The Saskatoon plant requires new equipment up to possibly $750,000 and the power commission is not believed to be in a position to finance it.

The Montreal Engineering plan is to make minor improvements to the Saskatoon plant and augment its present output of energy with hydro power from its facilities on the Bow River in Alberta. This would entail construction of a 305-mile "H" frame pole line to carry three cables.

Yields of 4.50% to 6%

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Pay Standard Plan Backed In 2 Provinces

Quebec Ready to Follow Lead of Ontario

ON SAME FOOTING

Setting of minimum wages for male workers in industry appears to have won general, though qualified, approval on principle, of governmental, industrial and labor interests in both Ontario and Quebec, since introduction in the Ontario Legislature of a bill to establish base pay rates for men.

At the same time both employers and labor groups have indicated that they entertain doubts as to how effectively and fairly the new regulations can be applied, and that they object to adoption of the Ontario measure as it stands. Definite suggestions for amendment have been submitted to the Provincial Government by spokesmen for organized labor bodies in the province, and by a deputation which submitted a brief based on a partial and informal canvass of members of the Canadian Manufacturers Association, Ontario division.

Accept Suggestions

Some of the suggestions advanced it is believed may be incorporated in the bill before final adoption. The measure has been given second reading and was dealt with in committee stage this week. For one thing, the proposed constitution of the Industry and Labor Board which will administer the new Act is opposed both by labor and industry. The bill calls for a five-man board of which three would be officials of the Ontario labor department, while the C. M. A. and labor deputations are understood to have urged equal representation for employers and workers, with one or more neutral members.

It is believed that Ontario industry will object (if it has not already done so) that it cannot assume the additional cost factor of inflexible minimum wages and still meet the competition of low-wage-paying industry in other provinces and other countries. In this regard, what was characterized as "the Quebec bogey" was set aside by announcement to the Ontario Legislature by Hon. David Croll, minister of labor, that the Quebec Government was planning to introduce in that province legislation "identical with or at least very similar to" the Ontario bill.

Labor Support

The objection of some labor leaders that minimum wages tend to become maximum wages and lower the earning power of the workers, is apparently not generally entertained by labor organizations as a whole. The labor spokesmen who waited on the Government in Toronto endorsed the principle of the bill, while submitting suggestions for modification "for the protection of labor."

In the exhaustive exposition of the aims and substance of the bill given the Ontario Legislature by Mr. Croll, the chief motive was declared to be prevention of exploitation of approximately 400,000 unskilled or semi-skilled workers not now protected by legislation or labor organization. With his desk piled with pay envelopes backing up his assertions, Mr. Croll cited cases of men working 60 to 100 hours a week for pay ranging from $4 to $12. The bill was designed to cover workers not already brought under the Minimum Wage Act for women, the Industrial Standards Act, the Factory Act and the Apprenticeship Act.

Farm Exemption

The bill exempts domestic servants and farm laborers because, in the Government's opinion, there is a growing demand for their services which will have the effect of raising their levels of pay without legislation.

Answering argument that the Quebec equivalent of the Ontario Industrial Standards Act had left Quebec wage levels still lower than in Ontario, Mr. Croll declared there had been full co-operation between the two provinces in regard to skilled workers and would be in regard to the new minimum wage legislation for unskilled men. Records showed, he said, that in industries covered by industrial standards codes in both provinces, especially the needle trades and lumbering, wages in Quebec were equivalent to if not higher than in Ontario.

Mr. Croll anticipated a slight rise in prices when minimum wages were set for men, but believed the increased purchasing power of the workers would more than offset this.

Premium Merchandise Not Liable to Civic Tax

The Imperial Tobacco Co. of Canada successfully maintained its claim that Montreal was not entitled to the special 2% municipal tax on purchases of merchandise for distribution as premiums. Justice McDougall stated that a distribution of this merchandise as premiums for cards in packages of cigarettes and pipe tobacco did not constitute a retail sale.

The case has lost a good deal of interest in Canada now that the distribution of premium cards by tobacco companies has been largely discontinued.

Dominion Textile Plant Closed Down by Strike

From Our Own Correspondent

MONTREAL.—A strike at the Sherbrooke plant of the Dominion Textile Co. started in the spinning room and spread to the shipping department, stopping all shipment of goods. About 900 men are idle because of the strike and the plant was completely closed. The men requested certain changes in working conditions affecting wages and recognition of a private union. Provincial Government officials stepped in as conciliators and it is expected that the strike will be short-lived.

Cancel Montreal Show

Due to lack of suitable exhibition space the National Produced-In Canada Exhibition, scheduled for Montreal has been cancelled.

250
05
295
147

$442,000,000★ more to spend in 1937

● If today's newspaper had announced that some foreign country had placed a $100,000,000 order in Canada, you naturally would anticipate a tremendous stimulation in buying power throughout the Dominion.

Yet, without any such spectacular order, the people of Canada will be able to spend $442,000,000 more this year than last, for Canada has progressed farther and faster than any other country toward a real and basic prosperity.

This new buying-power presents unexpected problems of its own. The new wealth is flowing in new channels. Habits of enforced economy, formed during the depression, can now be relaxed. A new generation of buyers has been added to the market, ready to be educated to new buying habits, new ways of living.

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Background of Business

Fraud Charged in Sale Of Old Car Models

Practice of Representing Autos as Those of Coming Year Censured — Winnipeg Vehicle Tax

The practice of motor distributors selling automobiles manufactured later than August, in any one year, as new models of the following year, is frowned upon in a recent court decision of Justice Forest, in Quebec. The case arose when a buyer sued for cancellation of the sale of a 1933 motor car sold to him as a 1934 model. The sale had been made late in 1933.

In handing down his decision the judge remarked:

"The custom of representing cars in the period between November and March as models of the following year is to be condemned because it deceives the buyers. The fact that by fraudulent means the defendant delivered a 1933 model instead of a 1934 is sufficient to cancel the contract.

"The reticence and false representation in the concealing from the plaintiff the truth as to the model of a car and in substituting another are methods of conducting business that cannot receive the sanction of the courts, especially when the seller takes good care to keep the purchaser in ignorance of these facts."

* * *

City Motor Taxes

Bitterly opposed by Winnipeg motorists the special motor vehicle tax levied in Manitoba's capital will become a permanent fixture if the application by the Winnipeg City Council to the Manitoba Legislature is granted. Power was granted several years ago to temporarily collect this levy but this power has been renewed regularly every year since then. Motorists claim that they have got little, if anything, in return for the $5 vehicle tax paid to the city.

* * *

Used Car Competition

For years dealers in used cars in the larger cities have been complaining about sales made to potential buyers in their territory by out-of-town distributors. Automobile dealers in the villages and towns surrounding the larger cities have been able to sell at lower proces as a result of relatively low overhead cost.

In Montreal, however, the situation has been further aggravated by a municipal tax. "Since the imposition of the sales tax," states a representative of the Montreal Trade Association, "automobiles of a total value of more than $3 millions have been sold to residents of the City of Montreal by merchants from places outside of Montreal. These purchasers make their purchases outside solely to avoid payment of the city sales tax. Montreal automobile merchants have been materially affected by the loss of all these sales." Mayor Raynault supports the stand of the Automobile Trade Association and hopes to have the special tax abolished.

* * *

Retailers' Margin

The Dominion Bureau of Statistics has issued its second special report on gross margins in retail trade. This bulletin summarizes results for independent retail stores and shows for 1935 an average gross margin of 23.5% of net sales compared with 24.3% in 1934.

The margin was lower for 23 separate kinds of business for which figures were compiled and higher in 11 classifications. Three remain unchanged. The margin figures range from 15.6% in the case of country general stores to almost 52% in the case of typewriter dealers and stores handling office and store mechanical appliances. As in the previous year custom tailors reported the highest margin with 55.1%.

A slightly lower percentage for 1935 contributed in part to an increase in price levels during the year and also to the disorganized state of the used car markets with smaller profits or greater losses on such business. The margin for motor vehicle dealers dropped from 19.6% to 16.7%. The sharpest gain, however, was in men's and boys' clothing stores where the margin dropped from 35% to 29.6%.

* * *

Women's Wages

Minimum wages for women in all industries in Quebec Province, not hitherto covered by specific regulations, and the Provincial Minimum Wage Board, have been tentatively agreed to by employers, employees, the public and the board. At present, minimum wages for women are now only operative in certain zones, but it is expected that eventually these will be extended to include the whole province and will affect all employers of 10 or more women employees.

* * *

Chains and Hardware

Are the chain stores making headway against hardware dealers?

Hardware and Metal, Toronto, does not appear to think so. F. J. Nichols, merchandising expert, who recently addressed the convention of the Ontario Retail Hardware Association, is quoted as stating that if he were going to open up a new hardware store he would locate close to a chain store because "that was the place where shopping activity was greatest."

Hardware and Metal tells the story of a Western Canadian hardware storekeeper who opened a fine new store and immediately leased the next door property which he controlled to one of the variety chains. As a result, it was stated, he realized more store traffic because the variety chain attracted a great many people who, as a result, came into close contact with his own store.

However, variety chain stores are stated to be making a big feature of hardware, electrical goods and allied lines. In many of the stores of some well-known Canadian chains, this line of merchandise, it is stated, leads all other departments in sales volume. It is claimed that the hardware merchant can learn much from the chain stores in the modern method in which the latter dispose their goods, in their wide aisles, their better lighting and the usually superior arrangement of their goods.

Average Bank Balance Registers Sharp Gain

Fewer Canadians are saving money in bank accounts. But those who are, maintain substantially higher balances.

These interesting trends are disclosed by a composite report which the chartered banks have submitted to the federal minister of finance in each of the last three years. This report, which is usually tabled in the House of Commons about March, classifies the number and amount of deposits as at the previous October.

Comparison of these reports shows that some 73,000 less people had savings accounts last October than two years previously. However, the remaining 3,970,314 accounts held $140 millions more. It is further to be noted that the decrease in the number of accounts is entirely confined to those of less than $1,000. All higher classifications register more than in 1935 and considerably more than in 1934. Moreover, while there has been a decline of over 100,000 accounts of less than $1,000 in the last two years, the amount represented by the 3,664,756 accounts outstanding last year was up $16 millions at $432.5 millions.

The trend in demand or current accounts has been more irregular in respect to number, but even more sharply upward in amount. In 1936, the number of demand accounts was 637,124, as against 625,860 in 1935 and 627,297 in 1934. In amount, the increase over the two years was almost 20%.

The average balance in savings accounts was $380 in 1936 compared with $365 in 1935 and $340 in 1934. The average current account held $1,047, compared with $998 and $865.

Comparative figures follow:

	Number			Amount (Millions of Dollars)		
	1936	1935	1934	1936	1935	1934
$1,000 or less	3,664,756	3,716,326	3,765,971	81.7	76.0	71.8
$1,000 to $5,000	268,525	263,449	246,057	89.7	80.1	72.3
$5,000 to $10,000	34,224	32,460	28,896	108.4	95.4	88.7
$25,000 to $100,000	2,313	2,276	1,853	107.7	99.7	87.5
Over $100,000	496	471	390	297.8	271.0	218.3
Adjustment items	......	......	......	3.0	2.7	3.8
	3,970,314	4,014,982	4,043,167	664.3	624.9	542.4
$1,000 or less	580,008	574,333	580,929	432.5	425.9	416.5
$1,000 to $5,000	43,662	39,294	35,259	537.1	518.5	485.7
$5,000 to $25,000	10,469	9,355	8,633	297.6	280.9	249.6
$25,000 to $100,000	2,328	2,126	1,877	99.1	99.8	82.6
Over $100,000	697	752	599	141.3	136.2	131.6
Adjustment items	......	......	......	2.7	4.3	4.2
	637,124	625,860	627,297	1,510.3	1,465.6	1,370.2

Brewers and Distillers Pays Dividend and Bonus

Directors of Brewers and Distillers of Vancouver have declared a dividend of 40 cents a share plus a bonus of 10 cents on the company's new $5 par value common shares. This dividend, which is to be ratified by shareholders at the annual meeting to be held April 29, 1937, will be paid on May 30 to shareholders of record May 1, 1937.

With the exception of a capital distribution of $1 a share made on Feb. 1, 1937, this is the first dividend to be paid by Brewers and Distillers since 10 cents a share was paid on the old stock on Jan. 15, 1934. At the time of the reorganization in Oct., 1936, directors intimated that they hoped to be able to pay annual dividends of at least 40 cents a share on the new stock.

CITY GAS LISTS STOCK

From Our Own Correspondent

MONTREAL.—City Gas and Electric Corp. has listed an additional 48,463 shares of no par value common stock on the Montreal Curb Market.

Saint John Export Trade Up Sharply in February

From Our Own Correspondent

MONTREAL.—Export shipments through the port of Saint John registered a gain last month, while imports remained practically unchanged from those reported a year ago. In all, 271,673 tons were handled at the port, as against 254,786 tons in Feb., 1936. Export shipments, amounting to 189,529 tons, account for practically all the gain.

Returns for the first two months of this year show just the reverse position. Imports amount to 174,747 tons, a gain of about 34,000 tons over the same period in 1936. Exports of 365,458 tons are practically unchanged from a year ago.

Eastern Light Stock Plan Meets Approval of Board

From Our Own Correspondent

MONTREAL.—Eastern Light and Power Co.'s application to the Nova Scotia Board of Public Utilities for permission to issue 530,000 shares of common stock, of the par value of $10 each, has been approved.

New Car Sales Show Big Gain

New passenger car sales as measured by registrations in eastern Canada in January, showed gains all along the line, according to a check-up by Canadian Automotive Trade. Ford, with slightly over 1,500 units, was up more than 50% from the corresponding month a year ago and had almost three times the volume of Jan., 1935.

Chevrolet registrations in January were up about 30%, or from slightly over 1,000 to 1,308. Dodge and Plymouth almost doubled registrations from a year ago.

Comparative figures are as follows:

New Passenger Car Registration
(In Eastern Canada)

	Jan. *1937	Jan. 1936	Jan. 1935	Jan. 1934
Ford	1,505	975	510	472
Chevrolet	1,309	1,018	266	188
Dodge	972	514	271	78
Plymouth	807	446	272	37
Oldsmobile	403	290	38	5
Pontiac	375	173	29	47
Buick	281	255	62	67
Chrysler	261	124	29	2
Terraplane	130	110	59	12
Packard	159	90	12	1

*Excluding P.E.I.

Total sales of new cars in Canada for January were 8,522, according to the Dominion Bureau of Statistics. This compares with 4,747 for January, 1936, and 2,857 for January, 1935.

C.S.L. Selling 24 Old Boats

About Quarter of Fleet Will Go to "Graveyard" —No Replacements

From Our Own Correspondent

MONTREAL.—Canada Steamship Lines does not contemplate replacement of the 24 lake and river steamers which are being sold for scrap.

The company is now negotiating for the sale of these vessels, which represent approximately one-quarter of its total fleet, and it is expected that all the vessels will be sold to ship breakers, as the vessels range in age from 25 years to 47 years and are regarded as obsolete.

The sale leaves Canada Steamship Lines with a fleet of 80 vessels, including the passenger ships used in the Quebec and Saguenay River services.

Ships to Be Broken Up

A list of the ships either sold or destined to be sold follows:

At Sarnia: Portsmouth, Renouf.

At Midland: Brentwood, Huguenot, Saskatchewan, Valcartier.

At Toronto: Cape Trinity, Toronto, Martian, Midland King.

At Kingston: Arvida, Camrose, Canmore, Chandler, Chapleau, Chatsworth, Courtright, Hamilton, Chippewa, Maple Hill, Royam, Thunder Bay, Vinmount.

At Montreal: Ignifer. (This latter ship, built in 1907 at Greenock, Scotland, has been tied up for several years in the "ship's graveyard." It is understood that she will be broken up at Sorel, where the Rosemount, another old C.S.L. freighter from the "graveyard," went to the scrap heap.)

FORGET RETIRES

From Our Own Correspondent

MONTREAL. — Maurice Forget, member of the Montreal brokerage firm of Forget and Forget, announces his retirement as a member of the Montreal Stock Exchange, coincident with the election of his brother, Jacques Forget, to membership in that institution.

Public Utility Earnings

Winnipeg Electric Co.
January

	1937 $	1936 $
Gross earnings	636,003	601,114
Op. exp. and taxes	342,244	321,896
Net earnings	293,759	279,218
Bond int. & deprec.	200,773	197,128
Net income*	92,986	82,090

*Before interest on series B bonds or redemption of contingent certificates.

Railway Earnings Canadian National Railways

January—	1937 $	1936 $	Increase $
Oper. rev.	14,043,352	12,742,554	1,300,798
Oper. exp.	13,960,129	13,318,884	641,245
Net rev.	83,223	*576,330	659,553

*Deficit.

Canadian Pacific Railway

January—	1937 $	1936 $	Increase $
Gross earn.	10,194,063	9,323,822	870,241
Wkg. exp.	9,280,554	8,711,249	569,304
Net profits	913,509	612,572	300,936

Jamaica Public Service

January:	1937 $	1936 $
Gross earnings	76,235	74,842
Net earnings	32,170	31,519
Surplus after charges.	24,002	22,702
12 mos. end. Jan. 31:		
Gross earnings	876,818	860,215
Net earnings	346,405	351,446
Surplus after charges.	243,766	247,084

Mexican Light & Power

	Dec., 1936 $	Dec., 1935 $	Increase $
Gross earn.	723,156	681,325	41,831
Oper. expenses	570,565	411,473	159,092
Net earnings	152,591	269,852	*117,261
Aggregate gross from Jan. 1	7,979,972	7,810,483	169,489
Aggregate net from Jan. 1	2,088,205	2,341,670	*253,465

*Decrease.

Alberta Seeks Wide Control Of Industries

Licensing and Price Fixing Measures Arouse Opposition

MINISTERIAL POWER

From Our Own Correspondent

EDMONTON.—The Aberhart Government will have control over all industries and prices in Alberta if the two bills now before the Legislature are approved and stand the necessary legal test. One of these measures permits the Government to license all trades, businesses, industries and occupations.

The other would give the Government power to fix prices of goods and services. The measures, bearing close connection to the Aberhart Government's intentions regarding Social Credit, have aroused keen interest and criticism.

Curb on Business

The licensing measure which replaces former licensing legislation contains a clause giving the Government power to "make rules and regulations prohibiting or restricting any practice, system or method of carrying on or conducting any business."

Power to suspend or cancel licenses will be vested in the minister. The Government plans to set up a trade and commerce advisory board composed of representatives of different industries. Its duty would be to advise the minister of any unfair trade practices and how these might be discouraged. The minister is empowered to suspend or cancel licenses "if he is satisfied such action is in the public interest."

Price Fixing

The new trade and industry measure supplants the legislation under which Alberta retail codes were set up, and maintains to the full the powers of the Government to prescribe standards of business ethics, control of trade practices and price fixing authority.

It enables the minister of trade and industry to prescribe specifications of any commodity used or sold in the province.

The Government is empowered to fix:

The maximum or minimum price at which goods shall be purchased or sold.

The maximum or minimum price at which any product of agriculture or of the forest or of the mine or any crude petroleum or any derivative thereof, produced in Alberta, may be purchased or sold.

The maximum or minimum price to be charged for services rendered or work done in any trade.

Ethyl Gas Sales Up During 1936

B. C. Reports 162% Gain — Dominion Sales 69 Million Gallons

Canadian consumption of Ethyl gasoline in 1936 gained 53.42% over 1935, according to figures compiled by J. N. FitzGerald, Toronto representative of the Ethyl Gasoline Corp. The rate of increase was more than double that of the United States during the same period.

Total Ethyl gallonage in the Dominion reached the record figure of 69 millions compared with 45 millions in the previous 12 months. The biggest gain, 162%, took place in British Columbia, where 3.6 million gallons were used in 1936 against 1.4 million in 1935.

Increases in use of Ethyl gasoline in all provinces in 1936, compared with 1935, were:

Increased Use of Ethyl Gasoline, 1936
(In millions of gallons)

	1936	1935	% Inc.
British Columbia	3.6	1.4	162
Saskatchewan	1.8	1.1	66
Alberta	2.7	1.6	..
Manitoba	2.2	1.3	64
Nova Scotia	1.6	1.0	61
New Brunswick	1.9	1.2	55
Ontario	25.5	16.6	53
Quebec	30.0	20.7	44
Prince Edward Island	.12	.09	34

Aluminum Co. of Canada Increases General Wage

From Our Own Correspondent

MONTREAL.—Aluminum Co. of Canada has announced a new wage scale for its 3,000 employees in Toronto, Shawinigan Falls and Arvida.

The net effect of the new rate will be to raise wages above pre-depression levels, according to officials of the company, as the 10% reduction, effected during the depression, was restored some time ago.

Last year the company paid about $3 millions in wage. Under the revised scale, the payroll will be increased by about $280,000 annually.

Howard Smith Paper Plans Capital Increase

From Our Own Correspondent

MONTREAL. — Shareholders of Howard Smith Paper Mills have been notified of a special general meeting to be held at Montreal on April 19, to vote upon a special by-law F enacted by the directors, increasing the number of authorized common shares from 300,000 to 400,000.

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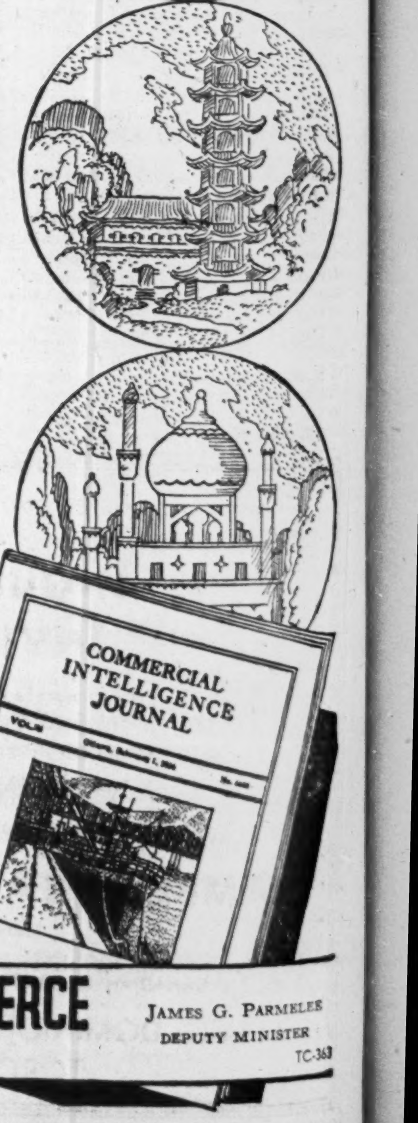

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Fanny Farmer

Would you regard an investment in stock of Fanny Farmer Candy Shops, Inc., as advisable at present prices?

Fanny Farmer Candy Shops showed earnings in 1936 of $1.65 a share compared with $1.28 a share in 1935. Earnings in 1936 are before making provision of $60,000 for undistributed profits tax. Dividends paid in 1936 totalled 87½ cents a share compared with 50 cents a share in 1935. Dividends have been placed on a regular basis of $1 per annum. On the basis of the last three years earnings the company appears well able to maintain this regular rate.

Fanny Farmer has been expanding its business rapidly during the past four years, sales increasing from $3.4 millions in 1933 to $5.6 millions in 1936. The increase in 1936 was $800,000.

This company enjoys excellent management, being operated by the same group that controls Laura Secord Candy Shops in Canada. However, being in the United States, Fanny Farmer has a wide field still remaining for expansion.

Dominion Perpetuals

Can you give some reason for the decline in market value of Dominion of Canada perpetual bonds and suggest whether or not it is advisable to hold?

Dominion of Canada perpetual bonds are somewhat unpopular as investment securities. This is indicated in part by the fact that they have been the most adversely affected by the recent decline in bond prices. It is believed by some authorities that interest rates will rise over the next few years and bond prices decline. Long-term bonds are likely to decline further than short-time issues, and for this reason your investment in Dominion of Canada perpetuals does not seem entirely favorable. You might be better off in some shorter term issue.

Inter. Metal Industries

Please give me your opinion on the preferred or common shares of International Metal Industries.

International Metal Industries has outstanding some $3.5 millions of 6% preferred stock, on which arrears of dividends amount to approximately $28 a share. The total arrears, therefore, amount to some $1.2 million and this sum must be settled, possibly by issue of shares, or by cash payment, before there is anything in sight for the common. This does not make the prospect appear any too bright. However, the company had very substantial improvements in 1936, and is likely to show some profit, compared with a loss of $606,000 in 1935. In good times, the company's earnings are liable to rise very sharply. Thus, there is a prospect of dividends sooner or later on the preferred shares, but it is difficult to tell just when the common shares will be in line for payments.

You might consider purchase of some preferred shares along with common stock, if you decide to invest in the company. This would give you a protection against dilution of the common share equity, and would also give you a first claim on earnings ahead of the common shares.

Ottawa Valley Power

Ottawa Valley Power first mortgage bonds return a relatively good yield and I am wondering if there is anything wrong with this concern.

Ottawa Valley Power first mortgage bonds are in a greatly improved position now that the company has obtained a new contract with the Ontario Hydro-Electric Power Commission. This is the company's only customer and revenue from that source is more than sufficient to take care of operating charges and interest on the first mortgage bonds.

Thayers

Can you give me an appraisal of the position of Thayer's Ltd.?

Earnings of Thayer's Ltd. for 1936 were shown at more than $4 a share on the preferred, compared with earnings of $3.31 a share in 1935. However, the form of the company's statement has been changed from time to time and earnings are not strictly comparable. There was a strengthening of the working capital position in 1936, hence the dividend of $2.50 a share paid on Jan. 1. Since the company's policy is apparently to try to strengthen the liquid position further, prospects for additional dividends in the near future are uncertain.

There is some apprehension that cut price gasoline sales in the western Ontario area, and around Toronto, may interfere with earnings this year. One of the unsatisfactory features about this company is that investment information which has been available in the past has not been complete. It is difficult to appraise the outlook.

Dominion Woollens

Please give your appraisal of the prospects for bonds of Dominion Woollens & Worsteds.

Dominion Woollens & Worsteds showed bond interest covered before depreciation, in the year ended June 30, 1936, but showed practically no profit available for interest, after deducting depreciation charge. In the current year we understand that the company's business has improved, partly due to firm prices for wool, which have the effect of creating profits on inventory of goods in process. On the other hand, the company is affected unfavorably by the reductions in tariffs on many types of woollen goods under the new British trade agreement. It is difficult to say just how much this will affect earnings in the year running to June 30, 1937. In view of the company's rather unimpressive record, however, this investment can hardly be regarded as satisfactory.

Charles Gurd

Will you please let me know what business is carried on by Charles Gurd and Co. and something about its current earnings?

Charles Gurd and Co. manufactures carbonated beverages and has plants in Montreal, Saint John and Toronto. The company recently changed its fiscal year to March 31, so that the next annual report will cover 15 months period ending on that date and will be available in April. Both sales and profits showed increase in 1936 as compared with 1935 and the showing is stated by the president to be the best since 1932. Earnings were sufficient to cover the preferred and special interim dividends as well as the redemption of 100 shares of preferred stock.

Inter. Power

Kindly be good enough to express an opinion on International Power. Are the securities well regarded?

International Power has been able to improve its position over the past year and dividends have been resumed on the preferred stock. The company's subsidiaries, which operate over a wide geographical area, appear to be doing somewhat better. Because of the international exchange factor, the securities are not quite as stable as some other utilities.

Steel Wares

I have one question I would like to ask in connection with General Steel Wares refunding operation —do you think it will have a tendency to lower the price of Steel Wares common?

Refunding operations at present being carried out by General Steel Wares should have a favorable effect upon the common stock. The new bonds carry a lower coupon rate than the old issue, with the result that it is expected that the company will save about $2 a share on the preferred stock. This means, on the basis of last year's earnings, that the company will be in a position to earn its preferred dividend with a margin left over for the common stock.

Melchers

Among my holdings are a few shares of Melcher's A stock. I understand that there has been a reorganization and would like to have particulars from you.

Melcher's Distilleries recently undertook a recapitalization whereby the class A stock was exchanged on the basis of one class A share for 1¼ new preferred shares, together with the payment of $3 in cash within 15 days of the date of issue of supplementary letters patent and 50 cents on July 2, 1937. The new preferred is entitled to 6%, is cumulative and participating with the common shares. This plan was approved on Jan. 22, and the payment of cash is now being made.

Can. Power and Paper

Can you let me have some information on Canadian Power and Paper Investments? Has the company made any progress?

Canadian Power and Paper Investments is an investing company which was reorganized in 1934. Total income in the year ended July 31, 1936, amounted to $91,781; net loss for the year was $19,650 after all charges. Despite the somewhat unfavorable showing as regards income, the position of the investment portfolio has improved. Equity per $1,000 debenture increased to $1,115 as of July 31, 1936, as against $453 at the end of July, 1935. Since that time it is understood there has been a further appreciation in value of holdings, while the funded debt has been reduced.

Montreal Apartments

Will you be kind enough to let me have in your paper an opinion on Montreal Apartments 5½% first mortgage bonds quoted 88½ to 89. Why is the price so low when interest and sinking fund have always been met?

Montreal Apartments does not issue a financial statement, but we are advised by underwriters of the bonds that the company is earning the interest on the 5½% first mortgage bonds. In addition the sinking fund is up to date. The chief reason these bonds are selling at a discount is the bad record of real estate securities in the last few years. The majority have defaulted on interest payments or sinking fund and there is little confidence in this type of security. However, there have been a number of companies, such as Montreal Apartments, which have fully serviced their bonded debt and have proved satisfactory investment mediums.

Brandram-Henderson

Has there been any improvement in the position of Brandram-Henderson Paint?

Brandram-Henderson, which recently underwent a recapitalization, has not been able to restore its earning power and the outlook for the company is still uncertain. There has been a difference of opinion between the directors and the managing director, the latter seeking to secure a majority interest in the capital stock. If the anticipated boom in building conditions eventuates, then it is likely that Brandram-Henderson will be able to increase its earning power to a level sufficient to cover interest on the first mortgage bonds.

Dominion-Scottish

Please give an analysis of the 4% bonds of Dominion-Scottish Investments Ltd.

The 4% 50-year bonds of Dominion-Scottish Investments are well secured, being a first charge on all cash, stocks, debentures, bonds and other securities owned by the company as at Nov. 14, 1936, had an approximate market value of $3.1 millions, more than four times the amount of the bond issue. The company should have no difficulty in earning interest on these bonds. In its worst year, that is in the 12 months ended Mar. 31, 1934, the company showed a net profit of $71,420. Since that time earnings have been improving and in the year ended Mar. 31, 1936, the company had a net profit of $111,566. Interest requirements on the bond issue will be $30,000 annually. Average yearly earnings for the past seven years were $124,029 which is at the rate of 4.13 times interest requirements of this issue.

Can. Investment Fund

Please let me have your views on Canadian Investment Fund.

Canadian Investment Fund was organized and is managed by the Calvin Bullock organization of New York. It has invested largely in better class stocks. Until lately the company had all its investments in Canadian securities, but the most recent report shows a small percentage of funds invested in American common stocks. The record of the Fund has been a favorable one to date and the market value of its investment portfolio has recorded appreciation in line with the general market advance.

Can. Converters

I notice that at the present market price the common stock of Canadian Converters returns a high yield. Is the company in good financial position and what is the outlook?

Canadian Converters record in recent years has not been particularly impressive. In 1930 the company showed a net profit available for dividends of $87,288. Since that time average annual earnings have been about $23,000. Net profit in the year ended April 30, 1936, was only $3,378, or considerably less than the amount paid out in dividends. Financially the company is in a fairly strong position, with net working capital exceeding $600,000.

The outlook for Canadian Converters is indefinite. Competition in the apparel goods industry is keen and there does not appear to be any likelihood of a major change in the near future.

Farmers Dairy Pfd.

Will you please give me information on Farmers Dairy 7% preferred stock? I would like to know whether there is a likelihood of early resumption of dividends and the reasons for the recent rise on the unlisted market?

Farmers Dairy is part of the Acme Farmers Dairy unit controlled by Eastern Dairies Ltd. Acme Farmers Dairy had a deficit in the year ended March 31, 1936, but in the preceding year showed earnings equivalent to $4.36 a share on the preferred. Dividends have not been paid since 1933, and the shares are in arrears approximately $28 a share. The chief reason for improvement in the position of the stock on the unlisted market is that the company has been doing better, partly because of higher prices for cream, ice cream and milk. Companies of this kind are squeezed between the rising prices paid to producers for materials, and the pressure of consumers against rising prices for food products. They also find sales taxes a heavy burden.

The feeling among dairy companies has greatly improved in recent months. Although they have had to pay increased prices for milk, they have been able to get some increases in retail prices, too. There does not appear to be an immediate prospect of dividend payments on the shares. However, if the recent improved trend continues for another year, prospects for payments would be substantially improved. The current earnings situation is reflected in the strength of prices for the stock.

Winnipeg Electric

I am interested in Winnipeg Electric 4% bonds and would appreciate your comments.

Interest is being earned and paid on the Winnipeg Electric series A 4% bonds. The current price is about 81. The company's power load has been rising sharply, which makes the investment appear considerably more secure as to income.

Imperial and Pete

What do you think of the dividend prospects for Imperial Oil?

Imperial Oil Ltd. is the largest oil company operating in Canada. Its earnings have been running slightly under $1 a share, compared with the dividend rate of $1.25 a share. The company's enormous reserves would allow it to pay dividends in excess of earnings for some years. However, investment men closely acquainted with the company's affairs feel optimistic over the outlook for increased earnings from Canadian operations. The company's main source of revenue is dividends from its producing subsidiary, International Petroleum Co. This firm also has been paying dividends in excess of its earnings. However, it is believed that higher prices for crude oil will enable International Petroleum to cover its dividend. In any event, it is felt that the excess of dividends over earnings is to a large extent nominal, because the company's working capital does not decrease in line with the stated excess of dividends paid. However, until International Petroleum earnings rise considerably further, there does not appear to be a prospect of increased dividends for Imperial Oil from this source and Imperial Oil hardly seems likely to increase its own dividend under the circumstances.

Abitibi Preferred

What is the situation with regard to the preferred shares of Abitibi?

Abitibi Power and Paper Co. preferred stock is, of course, junior to $50 millions of first mortgage bonds and the accompanying arrears of interest. The question of the future value of the preferred shares depends to a large extent upon what happens in any reorganization proposals that are brought forward. Although the shares appear to have been selling at optimistic levels, there are prospects of considerable further improvement in the newsprint situation, and the longer reorganization is deferred, the better it may be for the preferred.

Hinde & Dauch Paper

Would you outline the business and position of Hinde & Dauch Paper Co. as a long-term investment?

Hinde & Dauch Paper Co. of Canada is a manufacturer of paper products, including fibre shipping boxes, corrugated paper products, paper board and straw paper for corrugating. The dividend rate of 50 cents a share was started late in 1934, and maintained for two years. The increase to $1 a share has only recently been effected. However, earnings in 1935 amounted to $1.18 a share and in 1936 to $1.62 a share. The company maintained a dividend rate of $1 a share from July 2, 1928, up to Jan. 2, 1930, but dividends were suspended between 1930 to 1934. The company's position has been further strengthened by the call of the 5% bonds, part of which can be financed out of large working capital and part by bank loan at 4%. This saves the company about five cents a share annually, according to our calculations.

The company's recovery from the depression, under good management, has been pleasing but it is questionable whether the same scope for increased earnings remains, although further gradual improvement may be effected.

Walkerville Brewery

Can you give an outline of the operations of Walkerville Brewery Ltd.?

Walkerville Brewery Ltd. is an independent brewery with a plant at Walkerville, Ont. The company's report for 1936 showed a net profit of $17,536, or five cents a share, compared with a loss of $18,846 in 1935 and a loss of $45,731 in 1934.

H. D. Radner, president, reports that sales for 1936 showed an increase of 25.1% over 1935 and that the company is continuing an aggressive sales policy. The brewery industry in Ontario is suffering from surplus capacity and competition is keen, both from Ontario brewers and those in Quebec and the company's earnings have not yet been stabilized.

Donnacona

Please let me have your views on Donnacona Paper Co.'s stock.

Donnacona Paper Co. has continued to improve its position and if the anticipated improvement in earnings materializes during 1937, then the company should be able to show earnings on A and B stock. As you probably know, the management plans substantial capital outlays this year to improve facilities and enlarge production. As a result of this programme it is anticipated that there will be a material increase in earning power.

Steel of Canada

I purchased Steel of Canada common shares at well under the present market price. The thing which isn't at all clear to me is, would it be better to hold this stock or sell it at today's price and invest proceeds in bonds. In the end, would I have more income?

Steel Co. of Canada's common stock appears well valued in relation to the yield. However, the point should not be forgotten that there is still $8 a share of extra dividends on the common stock, above the regular $1.75 annually, to be paid before the preferred stock participates in further earnings. Again, the prospects for the iron and steel industry look more promising now than they have for many years past, and it is generally expected that the steel companies will report higher earnings in the period immediately ahead. In that event, the company will likely take steps to liquidate the extras of $8 a share which would mean an increase in yield to the holder of the common stock.

CANADIAN SECURITIES

Dominion and Provincial
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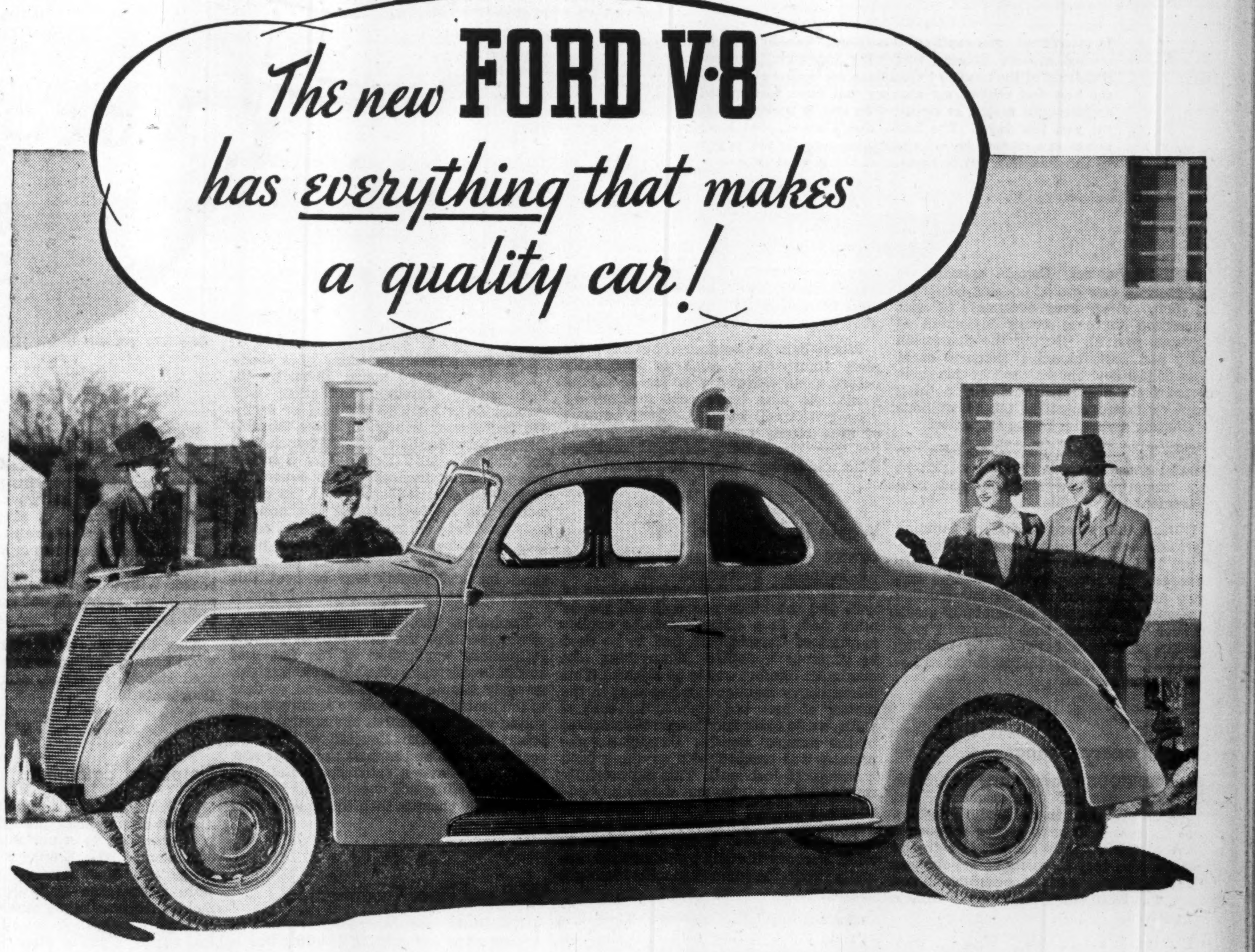

That quality look—outside and in

There's a quality look in every line of the new Ford V-8. Its curves are clean and right. Exterior hardware is beautiful and flattering. The smart, slanting windshield opens in closed body types. The top is one smooth sweep of steel. Interiors are newly tailored and trimmed, with care for the small details that delight women. Window mouldings and new instrument panel harmonize with the rich upholstery.

Easy-Action Safety Brakes—all-steel body

Brake response is instant—a quicker straight-line stop. Car momentum is used to help stop the car. Feather-light pedal pressure. The Ford Easy-Action Safety Brakes are of cable and conduit control type. "The safety of steel from pedal to wheel." The Ford body is all steel too—welded into a single unit of great protective strength. Safety Glass all around at no additional charge.

Entirely new standard of economy—traditional V-8 performance

Owners advise us that the improved Ford V-8 engine establishes the highest mileage records per gallon of gas of any Ford car they have ever driven. They add, too, that it provides the brilliant performance for which the Ford V-8 engine has always been famous, split-second acceleration, and plenty of smooth reserve power for any emergency.

Big-car comfort and roominess

The spacious, relaxed riding comfort you associate with cars of much higher price is another quality feature of the new Ford V-8. Refinements of Ford Centre-Poise design, all the head, leg and arm room six passengers need, and deep, restful seat and back cushions make the new Ford V-8 the comfort car for 1937. You'll want to ride in it—drive it. See your dealer about taking out a new Ford V-8.

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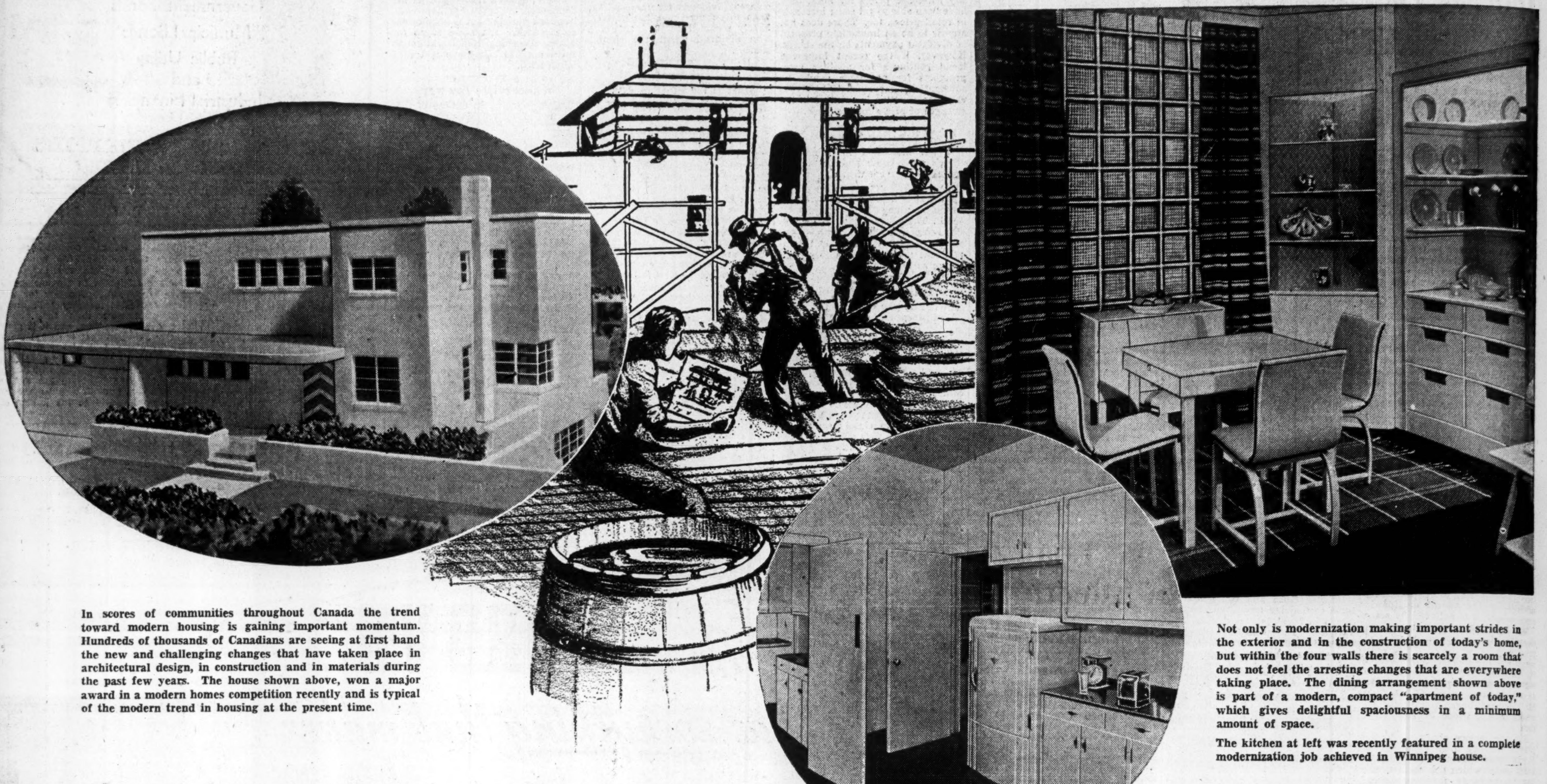
TUNE IN *Ford Sunday Evening Hour . . . 9 P. M., E. S. T., Columbia Broadcasting System.*

The Quality Car in the Low-Priced Field

MODERNIZATION BEGINS AT HOME



In scores of communities throughout Canada the trend toward modern housing is gaining important momentum. Hundreds of thousands of Canadians are seeing at first hand the new and challenging changes that have taken place in architectural design, in construction and in materials during the past few years. The house shown above, won a major award in a modern homes competition recently and is typical of the modern trend in housing at the present time.

Not only is modernization making important strides in the exterior and in the construction of today's home, but within the four walls there is scarcely a room that does not feel the arresting changes that are everywhere taking place. The dining arrangement shown above is part of a modern, compact "apartment of today," which gives delightful spaciousness in a minimum amount of space.

The kitchen at left was recently featured in a complete modernization job achieved in Winnipeg house.

THIS spring sees Canada entering an entirely new era of housing construction. After over five years of near stagnation there is every indication of vigorous revival. During the depression there has accumulated a shortage of at least 65,000 new homes. And in this same period there has been practically nothing spent on improvement of the 1.8 millions of existing dwellings in the Dominion.

Now the time has arrived to build, to rebuild and to repair. And a wealth of new materials, new methods and new equipment is available.

During this recent period of building slackness science has not been stationary. Since 1930 there have been revolutionary changes. The incorporation of these six-year accumulations in new construction and improvement will undoubtedly result in such an advance that there will be a marked difference between the building now commencing and that undertaken before the depression.

* * *

Revolutionary Changes

IN PREVIOUS housing, it is true, there was a gradual improvement. But changes came along in such orderly fashion that there was little to choose between a house erected recently and one in a decade earlier. The very slowness of the changes induced a strong spirit of conservatism and there was little effort to get away from a set pattern.

But this is not so today. With the wide range of new materials, new refinements and major improvements available, one can readily discard all preconceived notions and make a completely fresh start. Whereas the builder of pre-war days had usually but two choices for wall material—brick or wood—now there are, in addition, at least half a dozen.

One may use shingles, either stained cedar or prepared fireproof material. One may use stucco in almost any color or in combination with brick or stone. One may indeed use decorative metals or a combination of lath and plaster on building board.

Where light is also desired but not complete transparency, such as frequently occurs along driveways or facing drying yards, the new translucent masonry or glass bricks will be used. These because of their strength and insulating properties give the solidity of light ordinary walls and transparency with privacy.

* * *

Waste is Eliminated

TEN years ago, there were only two methods guaranteed to provide warmth in winter. One was thickness of wall and the other was coal, oil, gas or other fuel. In a climate such as applies to most of Canada both had to be used in generous quantities if anything like maximum comfort was to be attained. This meant heavy maintenance expenses in the matter of fuel and high initial cost of walls, waste space and danger of dampness in the summer months. Usually a compromise was reached with anything from a nine to 16-inch wall. This did not fully retard cold in winter and it certainly admitted excessive heat from June until September. But to have secured perfect indoor atmosphere, would have necessitated masonry literally yards of thickness and a fire in the summer months to absorb dampness.

Modern insulation methods solve this age-old problem. Now with light studding and an inexpensive outer skin of material impervious to moisture, two to four inches of insulation within will give heat and cold resistance equal to three or four feet of brick or stone, supplemented by the old air space plan and ordinary lath and plaster. Fuel is saved every winter, valuable space and materials are saved in substantial fashion in the original construction, and excessive summer heat is permanently retarded.

Extra Room Gratis

TRANSLATED into terms of a moderate two-story house, 30 ft. by 40, fuel saving through insulation will amount to at least 25 per cent or easily $35 to $75 each winter. In space the difference between the old style 16-inch wall and the new insulated wall of 8 inches will be the equivalent of 175 square ft. or a room almost 12 ft. by 15. In other words, the lightweight and thickness of construction in the modern insulated house give the owner a fairly big extra room at absolutely no cost and on the same sized lot and permit him to heat this extra room and one other absolutely gratis.

Insulation, too, has other structural advantages. For the first time it permits satisfactory application of the flat roof and flat roofs make possible those straight, severely simple lines in designs so dear to the hearts of the younger architects and young couples in search of something different and modern. Coupled with proper roof insulation and asphalt slabs, it is now feasible to have a satisfactory flat roof for any dwelling and one that will be from $50 to $100 cheaper than the conventional sloping type.

* * *

Wall and Floor Treatments

INSIDE the modern structure or for that matter in any existing dwelling that is to be modernized, there is even a greater wealth of new materials and equipment at the disposal of the 1937 builder.

There is, for instance, a wide variety of wall treatments. If paper is to be used it may be chosen in the new rough plastic effect or in the woven basket patterns that resemble somewhat a grass weave. Washable material may be used in bathrooms, kitchens, nurseries or recreation rooms.

Walls may be painted in all hues of the rainbow or they may be treated with washable lime base paints that go on quickly and dry almost instantly. Elaborate schemes can be worked out with molded wall boards or prepared plaster casts. Linen may be stretched tight over old and cracked ceilings or the same covered with decorative and inexpensive wall board. With the same material, new rooms may be carved out of unused basement or attic space.

Tile, linoleum, wide or narrow hardwood boards, painted or permanently colored smooth concretes, offer a range in floor material.

* * *

Simplified Equipment

AND in lighting the same modern manner of simplicity prevails. No longer is it necessary to strain one's eyes under ornate and dust-collecting ceiling fixtures. These are now fastened unobtrusively close against the walls or concealed in molded recesses along the edges of the ceilings. Tubular light may be hidden over the windows which after nightfall flood the room in the same way as the sunshine streams in by day. But while the light is softened by the use of proper sized bulbs and the ceiling as a reflector, every corner is illuminated but indirectly and without glare.

Simplicity, convenience, comfort and low maintenance cost again feature the new equipment which science now brings to the aid of the new house builder or to the owner about to modernize his old residence. Gas, oil or automatically coal fed furnaces do away with dust worry and fluctuating indoor temperature. Concealed radiation or air-conditioning, built right into the walls and under window sills, allow the full use of all wall and floor space and eliminate dust-collecting and germ-accumulating ledges.

This new heating and air-conditioning apparatus also frees a large part of the cellar for appreciated use. Here in a well-lighted, airy basement room children and grown-ups can indulge in the most strenuous of games without distraction to those who seek quieter recreation on the upper floors. Even in older residences where no original provision was made for such recreation rooms, with the use of waterproof floor covering in the form of special concrete, tile or materials saturated in asphalt it is possible to provide absolutely damp-proof floors.

Kitchens and bathrooms are no longer either the drab affairs of a generation ago or the monotonous, noisy white alcoves of the last decade. Plumbing fixtures now come in a choice of colors to blend with any scheme. Sinks and bathtubs have been streamlined to permit easier cleaning and more convenience in operation. Sizes and shapes have been arranged cleverly to make use of spaces hitherto considered much too small. As a result in many of the older residences it is now possible to install with little alteration an extra bath and to bring new sinks up to the proper height level and underneath the windows, which is their proper place.

Brightly colored linoleum counter top or backing of the same material or tile or some of the plastic finishes now available used similarly; hardware of gleaming chrome and veneer doors without the dust collecting and shrinking panels formerly used, continue the objective of modern simplicity and ease of maintenance.

* * *

Ease of Financing

SIMPLICITY has also invaded the financial field today. Not many years ago the financing of even a moderate house was a thing not lightly to be undertaken. Interest rates even on the best and most conservative of first mortgages ran well over six per cent.

Semi-yearly interest and principal payments came with a rude jolt and the end of the mortgage, usually five years, witnessed all too little progress made in fully paying for one's home. This sort of thing has also been simplified and made more convenient.

Interest rates and mortgages are now the lowest in a generation. Not only has the price of such money been reduced but it is also possible through the Dominion Housing Act or often with private companies as well to amortize payments over an extended period and to prepay both interest and principal on a monthly basis.

Through the Home Improvement Plan of the Dominion Government, too, it is now possible to install every sort of permanent home improvement at once, and to pay monthly for the necessary loans over a period of three years. Here again interest rates have been reduced to the lowest in a generation if not in history, being the equivalent of a simple interest rate of slightly over six per cent.

Hence right through from the time that plans are studied for either new buildings or improvements to old buildings, home modernization has been made simple and easy to obtain.

Modernization is a major factor in the forward march of Canadian business. The following firms and institutions have made possible this constructive series of articles to indicate in practical fashion the amazing opportunities for good business that lie in a programme of rehabilitation for Canada:

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National Cash Registers, Accounting Machines, Check-writing and Signing Machines and Correct Posture Chairs.

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Insulates, Decorates, Quiets Noise

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"Builders of Good Farm Implements"

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Hudson Motors of Canada Limited
Hudson and Terraplane Automobiles

International Harvester Co. of Canada Ltd.
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Plumber Sells His Customers On Loan Plan

Kitchener, Ont., Man Makes Canvass of Prospects, Arranges Loans

BUSINESS PAYS

A. J. Reinhardt is a plumber in Kitchener, Ont., who has given the Home Improvement Plan a practical application in the Kitchener area with some unusual results.

Aggressive and a good salesman, Plumber Reinhardt found that most home owners in need of repair, renovation and modernization services in their dwellings were the people who could least afford better home conveniences and added living luxuries, or at least to pay cash for them.

Many prospective customers asked for estimates of a modernized bathroom, improvement of the heating system, a change from warm air to hot water heating, installation of air-conditioning or other work, but it was another story when the estimates were given. The enquiring householder in many cases found the cost to be too large to be met out of available cash and not large enough to increase the mortgage on the house or place a mortgage on an unencumbered property.

"Wait," said Plumber Reinhardt's customers, "until there is some spare cash." And Mr. Reinhardt waited, meanwhile engaged in the installation of a small heating plant in a local branch bank.

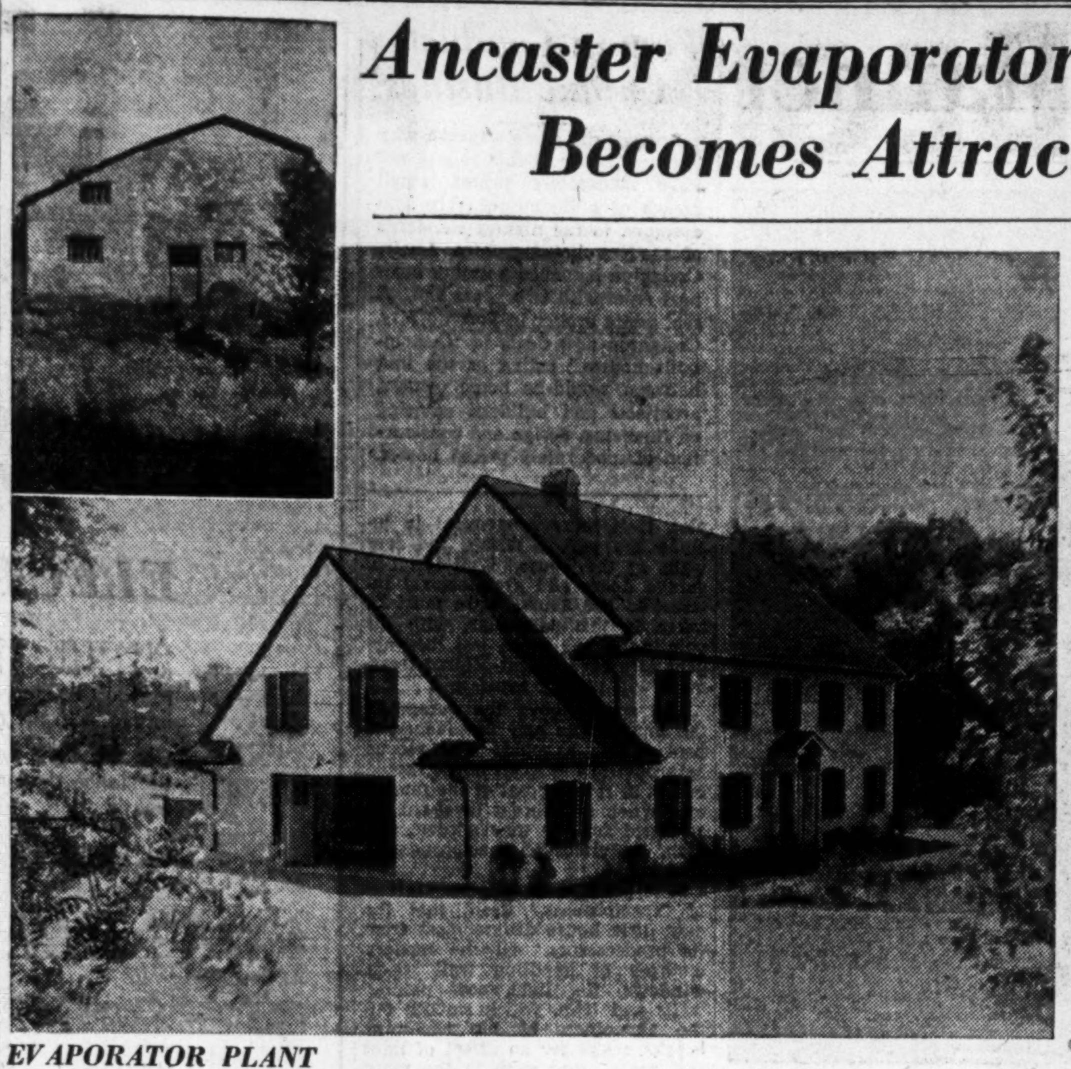
One-Man Agency

The bank manager mentioned the Home Improvement Plan during the heating installation work, and Mr. Reinhardt immediately ceased to wait. He studied the plan, made further contacts with home owners who had appeared hopeless prospects and set himself up as a one-man agency for selling, modernization planning, financing and general advisory source for his prospective customers.

Mr. Reinhardt's customers were eager to embark on a modernization programme for homes that had weathered the depression and looked it. Obsolete and worn out plumbing and heating equipment loomed as a large item in many cases and Mr. Reinhardt began to get contracts where none had seemed possible before.

But one service above all others proved the key to many contracts. It was the arrangement by Mr. Reinhardt under which the home owner had no necessity for approaching the bank. Instead, Mr. Reinhardt carried out the financial negotiations in the name of the home owner and all the latter had to do was sign the necessary documents. The cash was paid to Mr. Reinhardt by the bank as the modernization work on the home progressed from one stage to the next.

Ancaster Evaporator Plant Becomes Attractive Home



EVAPORATOR PLANT

Country home of Mr. and Mrs. L. R. Greene, Ancaster, Ont., shown above, was once a dilapidated and disused evaporator plant, relic of the time when the village was a budding industrial centre with 30 or 40 mills and factories. Today the country home is one of the widely admired homes in the Ancaster area.

Relic of Village's Industrial Ambitions Is Now One of Its Beauty Spots

Ancaster Village, near Hamilton, is famous for its country estates, its air of peaceful, rustic simplicity and its pleasant homes. More than 75 years ago it gave promise of becoming an important Ontario industrial centre and outstripping Toronto and Hamilton as the commercial centre of the province but today Ancaster hears the hum of bees instead of industrial machinery and its environs are pleasant meadows in place of crowded factory areas.

One factory survives, however. It is the evaporator plant built 60 years ago but it would not be recognized by even the oldest inhabitant as the trim country home of L. R. Greene.

Among the astonishing transformations of old buildings to modernized homes there is probably no counterpart of the Greene residence in Ancaster.

Accompanying photographs show the old evaporator plant which stood as it appears in the photograph until 1928, a squat, low, ugly building and the sole relic of the time when more than thirty mills and factories sent smoke belching into the sky in the 19th century.

The site was attractive but the building appeared useless with its old style construction, irregularly placed windows, mottled brick and lean-to of field stone and the ugly slope of the roof. Wide doors designed to permit entry of farm drays added further unpleasant aspects to the ancient structure.

Spacious Country Home

Unpromising as it was, the Greenes saw something in the building that might be revealed and used to advantage under proper treatment. With the aid of their architect they drew up a plan of a spacious country home with dimensions to fit the foundations of the old evaporator plant. They pulled down the walls and re-erected them straightly and securely; new walls were given the support strength for two and a salf stories. The roof was sloped evenly and the regular lines of the new structure were broken in pleasing style by the addition of a garage wing a few feet under the roof line proper.

The net result was an attractive country home, with colonial New England windows spaced at regular intervals in a wall of cream stucco.

Interiors were given similar careful and tasteful treatment, the whole house being surrounded by suitable landscaping, including rockery and flag-paved terrace. Today the former evaporator plant is one of the beauty spots of Ancaster.

Costs Reduced In Frame Home

Variety of Decorative Effects Achieved in Model House

Modernization means use of the newest materials, designs and methods in home renovation and repair, but it does not mean that houses of wood-frame construction are excluded from modernization plans.

Wood, one of the oldest of all housing materials, has an important place in modern housing and use of lumber in modernization, or in construction of a new house has definite points of interest for the home owner or would-be builder.

Canadian retail lumber dealers, determined to demonstrate the importance of wood in modern home construction, built a model home in Ottawa, in which use of wood plays a dominant part. The purposes of the model home were to show municipalities legislating against the use of wood that a completely modern home can be built of that material, with ordinary insulation and practically fireproof, with a fire insurance rate lower than the average brick or masonry residence.

MODERNIZATION BEGINS IN MR. CHIPMAN'S BASEMENT!

IT USED TO LOOK LIKE THIS
NOW IT LOOKS LIKE THIS

The new Quiet May Oil furnace in Mr. Chipman's Montreal home smartly replaces the old-fashioned coal furnace and water tanks. Here, as in hundreds of modern Canadian homes, Quiet May supplies automatic heat to suit the daily temperature . . . plenty of hot water for every need . . . and year-round economy.

Before modernizing or building a home, get the story of Quiet May. It's a mighty interesting story of exclusive advantages which have made Quiet May the choice of Canadian architects, builders and owners.

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Windsor Home Loan Committees Prove Effective Organization

Centralized Effort Directed Through Finance, Publicity, Women's and "Trouble" Committees — Similar Groups Function in Other Areas

By T. CARBERT

A spirit of daring enterprise tempered by sound business administrative methods is the key to Canada's first successful assault on unemployment via a nation-wide Home Improvement Plan.

Centralized administration, delegated through provincial and municipal groups, is an essential factor, but equally responsible for the fact that loans under the plan already exceed $1.6 million is the aggressive, enterprising attitude of local groups responsible for the development of the plan in their localized areas.

Windsor is a city noted chiefly for its enterprising spirit, rightly or wrongly expressed at least once in terms of defaulted bond interest which caused a storm of protest from bondholders, but which proved to be merely the forerunner of similar action in many other municipalities. Lying on the border of the United States, within sight of Detroit, the Canadian city gave Ontario a provincial cabinet minister who rose from newsboy to senior cabinet rank via the mayoral chair of Windsor, and as the location of the Ford of Canada plant the city has also acquired something of the aggressive spirit of the automobile industry.

All of which has a close if not obvious connection with the Home Improvement Plan.

The plan has already resulted in a substantial volume of home improvement loans during a winter season in which home modernization is naturally at its lowest ebb. Windsor was one of the first areas to seize on the plan as the long-awaited means of solving its own peculiar problems and the first step was formation of a local advisory committee of the National Employment Commission under the chairmanship of W. R. Campbell, president of the Ford Motor Co. of Canada.

Windsor's Committees

What has since happened in Windsor throws revealing light on what can take place in scores of other enterprising Canadian municipalities when the Home Improvement Plan hits its full seasonal stride this spring.

The Campbell committee saw that the Home Improvement Plan might be only one phase of a wider programme under consideration by the National Employment Commission, and for this reason a special Home Improvement Plan Committee was created, leaving the main advisory committee free to participate in other projects as the latter were developed.

Completed, the committee organization consisted of the following:

Main Committee: A chairman, with four other members, including the president of the local Trades and Labor Council, the president of the Chamber of Commerce, publisher of the local newspaper and the member of parliament for the area.

Home Improvement Plan Committee: A chairman and six other members, with the secretary of the Trades and Labor Council, the secretary of the Chamber of Commerce and a well-known, established local businessman among its members.

Sub-sections of the Home Improvement Plan Committee: Publicity committee, financial committee, women's committee and the "trouble" committee.

The completed organization has functioned harmoniously and effectively, although it does not follow that organizations exactly similar will produce the best results in all communities. The elasticity of the plan, both in the size and methods of local committees, under the centralized national policy of the plan itself, is an important factor which differentiates the Home Improvement Plan from other projects launched with the same objectives in the last few years. In the case of other municipalities, it might be found for example that instead of Windsor's committee membership of the member of parliament and the president of the Chamber of Commerce, a prominent Rotarian, Kiwanian or some prominent businessman, lawyer or financier would be found more suitable for the purpose and in the light of local conditions.

Windsor's object, however, was to bring men and women of vision, influence and force into the committee organization, individuals capable of enlisting the support and co-operation of all classes in the community.

For much the same reason that it is almost impossible to sell genuine $5 bills at $1 each an a street corner, the Home Improvement Plan had to be "sold" in Windsor as elsewhere, by aggressive publicity methods. Of common benefit to home owners, lending institutions, home equipment industries, mechanics and building trades' workers, the plan itself was not thoroughly understood immediately after its inception.

So Windsor formed a publicity committee which deals with all forms of publicity in the press, window displays, public speakers, organization of mass meetings and other mediums of educating the public to the advantages of the scheme. In the case of Windsor, the local Chamber of Commerce proved a particularly valuable aid, by arranging mass meetings and selecting informed speakers from the service and social organizations of the city. It proved to be the organization most capable of getting the right man for the right job.

Financial Committee

Essential to the successful operation of the plan in any community is the organization of a financial committee. This was effected in Windsor by careful choice of qualified members who were given the task of raising funds for advertising and other local expense. Another function is investigation of the number of potential homes in the area where improvements could be made, and to advise supply houses how to approach the householder. estimate the work to be done, and if necessary arrange to accompany the householder to the bank when the loan was arranged. A complete service was provided which brought remarkable results, tempered by a strict recognition by the financial committee that the plan was devised for home improvement and not as a scheme to induce people to borrow money from the banks.

Women's Committee

Since women are homemakers, a women's committee was formed in Windsor and similar committees are now being organized in other municipalities, with the object of dealing with one of the most vital of all points in connection with home modernization. Women, it is found, exercise the most influence in spending the family dollar for improvement of the home itself and in choosing its women's committee, Windsor did so on the basis of a personnel familiar with and sympathetic to the requirements of individual homes, and representative of social and welfare work. A variation of the organization in some communities is to include women on other sub-committees rather than as a separate group.

Windsor found, as in other communities, that minor difficulties or technical considerations may prevent a loan being made by a bank to a householder anxious to take advantage of the loan plan. As chairman of the trouble committee, a man of established standing in the community was found to be essential. He must enjoy the confidence of banks, be sympathetic to the loan plan purposes and possess broad human sympathies.

Such a man, aided by his committee, can frequently adjust difficulties, investigate cases where loans are withheld, and possibly overcome obstacles in the way of a loan by removing the minor or technical causes. The experience of Windsor was that many loans were found to be possible although the would-be borrower previously believed himself ineligible. Conversely, loans were made possible under conditions which required only slight modification from those rendering the borrower otherwise ineligible.

Windsor Loans $26,400

Windsor's organization of committees for the Home Improvement Plan is cited because the area was one where depression conditions created particular hardship, and because even before the plan was inaugurated the city was the scene of similar co-operative planning to restore prosperity to the building trades through home renovation and housing.

To date about 80 loans have been made in Windsor under the Home Improvement Plan, to a total of $26,400. The figure is not large even among groups of cities with 40,000 population or more, but it will undoubtedly increase rapidly when seasonal spring influences are felt and the machinery already created is operating at higher speed.

NEW "SUPER-DUTY" FRIGIDAIRE WITH THE METER-MISER

Gives PROOF of Safe Temperature

WITH THIS FOOD-SAFETY INDICATOR RIGHT ON THE DOOR -always in sight
5-YEAR PROTECTION PLAN

NOW you don't even have to open the door to see that Frigidaire is always on guard for you — with SAFETY-ZONE TEMPERATURE that keeps food safer, fresher, longer. You see this *proved* by the Food-Safety Indicator with *dial right on the door* of every Deluxe and Master model. Even in the hottest weather, when some refrigerators fail to keep safe temperatures, you know at a glance that Frigidaire with the Meter-Miser gives Greater PROTECT-Ability at miserly current cost.

ASK ABOUT EASY "Pay-as-You-Save" PLAN

See the Proof OF ALL 5 BASIC SERVICES FOR COMPLETE HOME REFRIGERATION

1. GREATER ICE-ABILITY
Ends "Cube-Struggle" and "Ice-Famine!" New Instant Cube-Release in *all* ice-trays.

2. GREATER STORAGE-ABILITY
New 9-Way Adjustable Interior! Ends old-fashioned crowding and "dish-juggling."

3. GREATER PROTECT-ABILITY
Safety-Zone Cold at all times *plus* MOIST Cold for vegetables . . . EXTRA Cold for meats . . . FREEZING cold for ice cream, frozen desserts.

4. GREATER DEPEND-ABILITY
5-Year Protection Plan on the sealed-in mechanical unit. Backed by General Motors.

5. GREATER SAVE-ABILITY

NEW INSTANT CUBE-RELEASE IN EVERY ICE-TRAY

See it in Action!

Only Frigidaire has it!

Instantly releases ice-cubes from tray, two or a dozen at a time. Yields 20% more ice by ending faucet meltage waste. Greatest advance in Ice Convenience ever known. See its quick, easy action.

See the Proof at Your Frigidaire Dealer's.

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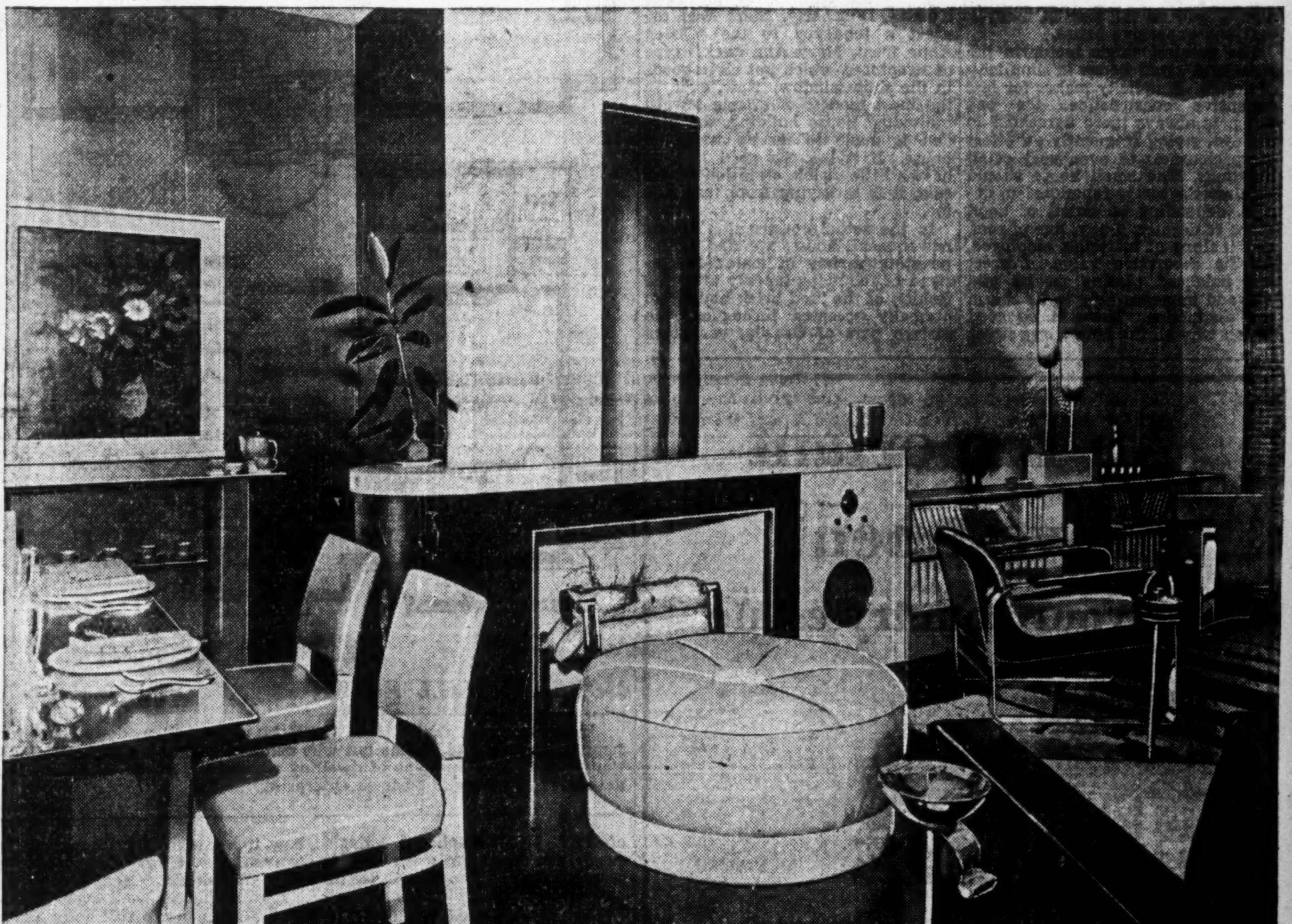
Cuts Current Cost to the Bone! See an electric meter *prove* it, *before you buy!* Meter-Miser does SUPER-DUTY at amazing saving, because it's the *simplest refrigerating mechanism ever built!*



EATON'S

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WHETHER the styles chosen are modern or traditional, each detail must contribute to both beauty and use! As in the room illustrated, the resources of furniture, floor coverings, lighting fixtures and decorative details are all bent toward making a harmonious whole. Economy of space is studied, and simplicity of arrangement. The result is a room to enjoy, to relax in, to entertain in and live in!

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Small Homes—In the Modern Manner

Simplicity and Dignity Combine With Functional Keynote in New Houses for $50-a-Week Family Incomes

DISTINCTIVE IN DESIGN

By LUELLA CREIGHTON

LUELLA CREIGHTON

The small house has recovered from a long-suffered inferiority complex.

Within the last few years the attention of architects, builders, interior decorators and furniture builders has focussed on the needs of the family with a small income.

It is no longer necessary for the modest house to ape its resplendent neighbors. Nor does it so closely resemble a streetful of replicas of itself that accurate entry after dark is a matter for conjecture. Until recently the small house was given comparatively little architectural consideration. It was treated as an uninspiring necessity, to be built of the same type of material as the mansion laden with the same heavy trim, glossed over with cheap imitation, on a miniature scale, of the rich panelling used in the massive halls of great houses.

It is something of an insult to the intelligence of the people for whom moderately-priced houses are a necessity, to believe that because a house seems to satisfy the ideas of a small jerry builder it will be "just what they must have." The average requirements of the house seeker are not so radically different in the essentials that an expensive product will be the result of building a house to comply with his demands.

Possible on Small Income

Working with the Dominion Loan programme, it is possible for the man who earns less than $50 a week to build himself a house which, for distinction of design, and informal dignity will be the peer of many a vast and expensive house.

The greatest single factor in the successful small house is simplicity of design. Simplicity makes for less expensive construction, for one thing, is always more agreeable to the eye, giving frequently an effect of spaciousness in even very small buildings. The small house should be almost severely functional in design, depending on detail of door, shape of dormer, if any, line of roof, and texture of materials employed, for its decorative value. Correct and balanced placing on its plot will add immeasurably to its charm and distinction. There is no good reason why all the houses on a street should toe the mark like children in drill.

Elimination of unessentials is of eminent importance in the economical building of the good small house. A great deal of money can be spent on gadgets, unnecessary, faddish tiling, electrical contrivances of more than doubtful value in the smooth functioning of the house, which might much more profitably be spent on size of building, efficient insulation, the substitution of good paint for poor. In the first flush of the excitement of building it should be remembered, by the small house builder, that the size of the structure cannot be expanded later, while a lucky break may tile the bathrooms.

Plan Floor Space

A good deal is written about the advisability of making a house which can be extended later. Even at the risk of stretching the building budget a bit, it is by far the best plan to provide all the necessary floor space when the little house is first built. Making more additions is an expensive and frequently a disappointing business.

Provision for privacy is perhaps the second essential quality for pleasant living that has been neglected most frequently in planning small houses. Some "withdrawing" room is an absolute necessity. This may be in the form of a small room on the ground floor, which, if flanked by the downstairs washroom, might do duty as a guest room. Or it might be a small room on the landing.

Another safeguard of privacy and antidote for nerve strain is the plan which provides for a complete separation of dining room from living room. In the case of very small houses, where no maid is ever to be expected, the living-dining room may be an asset, as providing for one very large room, but so far this plan has not proved popular in Canada.

More and more attention is being paid to the exterior of the little house. Formerly, there was too great a tendency to the "Queen Anne front, Mary Ann back," type of structures, which put all its goods in the shop window. Now, even in the most modest of efforts toward individual house building, the garden is made to tie up with the house. If it has the good luck to have a little visible elevation on the side, it is satisfying from that side too.

In the actual construction of the newer small houses we find an interesting variety of materials. Instead of following meekly after the fashion of the "red brick house," so normally accepted throughout the eastern part of Canada, variations of stock brick, clapboard, shingle, stucco, and stone are used. In any case, the small house should use the native materials, which are at hand.

Second-hand Brick

In a community where second-hand brick is available and may be used, the house builder may make himself an absolutely distinctive wall texture by choice of color, course, etc. Some beautiful effects have been obtained by a sparse brushing over old pinky, or pale orange brick, with whitewash. Old brick frequently has attained mellow tones which are not found in the new. Color tones in this type may range from pale yellow to deep "red earth."

Ordinary grey stock brick can sometimes be found in brick yards near railway lines, softly smoked in warm grey tones, shading to a charcoal black. Among brick thus treated there will be an odd orange-red color, at times. These bricks, laid with care, noting the masses of color produced, also present an unusual and attractive appearance. For the informal house, depending on its texture and shape for its distinction, such bricks are very effective.

Paint Is Valuable Aid

Gleaming white houses are now found, here and there, through the cities. Very often these are small houses, fresh with paint over stock brick. The small colonial houses, particularly the Dutch colonial, are especially successful when treated in this way. The upkeep, of course, of the painted brick is an item which must be considered by the budget builder. Under normal city conditions, to keep the gleaming white of the first painting, the house will require one coat every three years. Here, too, the artistry of smoke and oxidization sometimes adds character to the job. The painting itself, after the initial coating, is not an expensive item.

In areas where frame construction is favored, new clapboard houses are springing up. The long, low lines obtainable by means of these boards, the pleasingly informal quality of the simple boarding make it a favorite. Structures emulating the old habitant cottage, originally built for sheer comfort and with an eye to the purse strings, are appearing too, again. The board and batten exterior used in these houses is both cheap and decorative, when painted or whitewashed. Well insulated, and correctly constructed, of course, the wooden house need bow to no other for supremacy in warmth, comfort, durability and satisfying design. Many American clapboard houses, well over a hundred years old, are still doing duty.

Skintled Brick

Varieties in texture obtained by "skintled brickwork," where the mortar is squished out between the bricks, is just one more of the many ways in which the small houses, whether of plain brick, whitewashed or painted, can, if placed to advantage, rival its expensive neighbor in interest.

The new small houses are paying great attention to their windows. The day of small peep holes high up in the walls is gone, having given place to the pleasant custom of large, low windows, placed so that the occupant, seated, can look into his garden unobstructedly.

More often than not the small house builder places his lighting toward the south. It is possible in nearly any location to have at least the main rooms of the house looking toward the south or west. Fill the house with sun, by all means, but it is of great importance, too, to have at least one room where the strong light of day can be well subdued. Darkness should be obtainable for relaxation, and is often necessary for convalescence.

Gardens Important

Gardens are gaining in importance. Direct access to the garden should be provided from one of the main rooms. It is not an expensive matter to plan for this. If the house has an offset on the garden side, there is at once provision for two sides of a "garden room," whose floor may be a terrace of poured concrete, or flagstone, purchasable for very little per piece, and ready to be laid by the same hand.

With the passing of the old-fashioned verandah and sleeping porch, city dwellers have withdrawn themselves like hibernating bears, from fresh air.

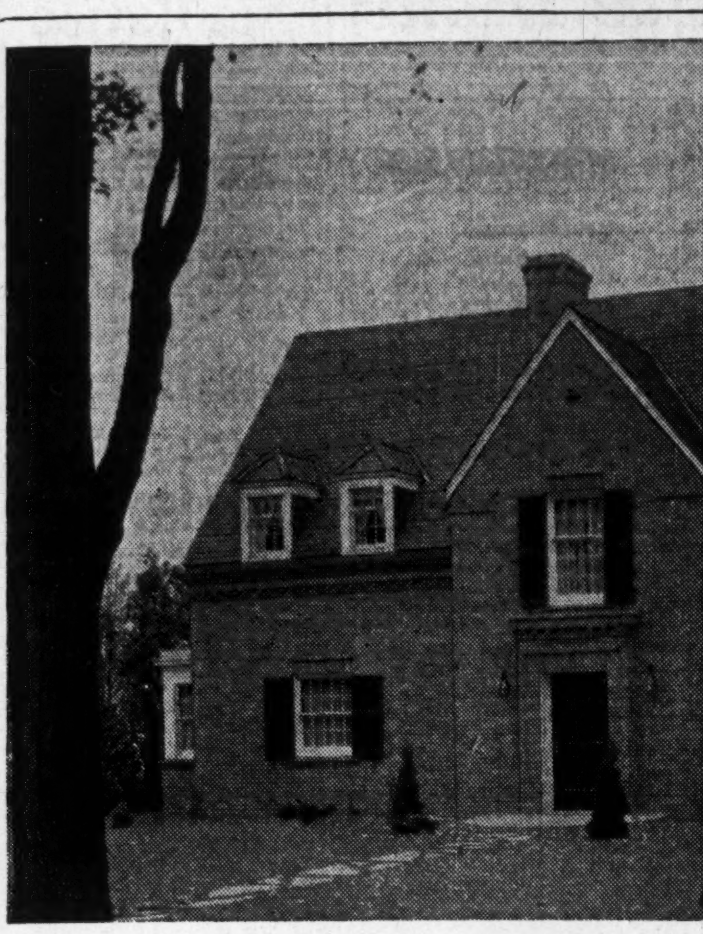
Another necessity for the small house is some place, preferably from the second story, a sundeck, or at the very least, a small balcony where mops may be shaken, and bedding and rugs aired.

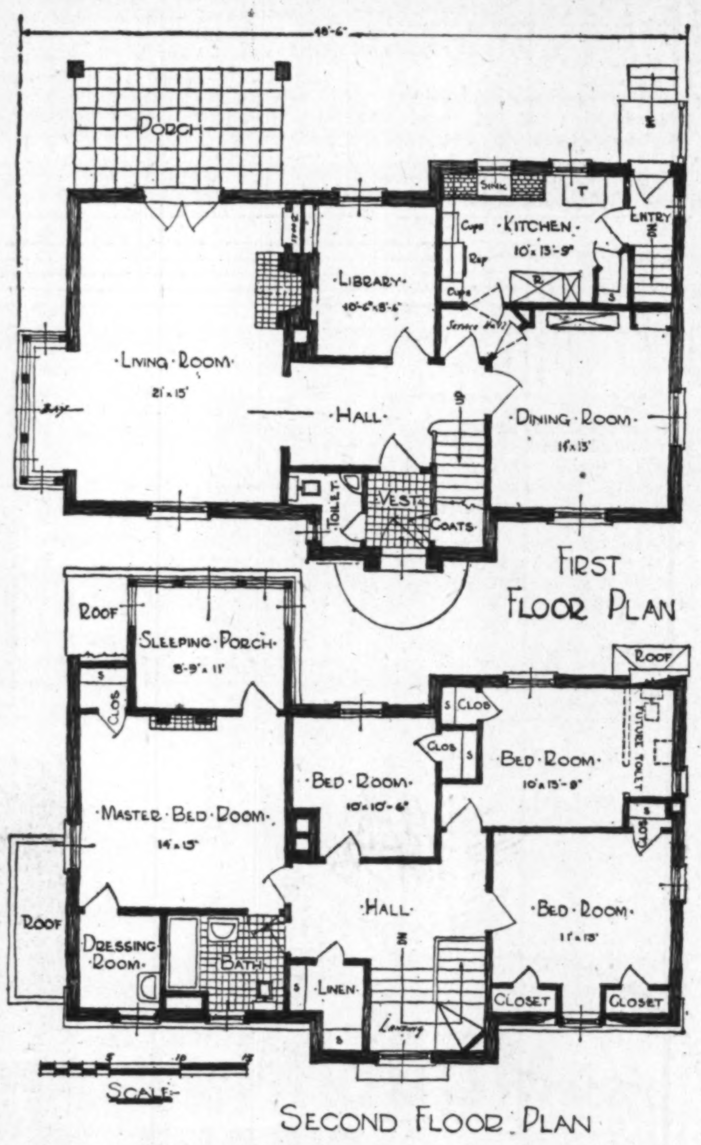
Built-in Garage

The automobile has become so much a part of modern man's standard equipment that it seems appropriate that it should be given the winter care of a heated garage. Generally speaking, unless the little house finds itself on a very large plot, it is more economical to include the garage within the four walls of the house. Well-designed garage doors add architectural interest to the house. Care must be taken in this particular, with the painting of the doors, lest they appear as a cave. Light-colored treatment will usually avoid this.

The space above the garage in the small house may be planned to provide for a maid. The second bathroom in the small house should be put at the disposal of the family, too. When a different level can be arranged for the maid's room and bath, an effect of spaciousness is given.

It is perhaps, in this very effect of "spaciousness," itself, that the new little house differs most from its predecessors. All the modern methods of handling wall space, windows, the light new painted walls and trim, which smooth out the abruptness of the necessary breaks, make for an effect of light and space. And even in the more modest of the little new houses, living rooms are planned so that chesterfield and bookcases can take their choice of several spots to rest.





MODERN SMALL HOUSE

Above is shown the "custom built" type of small modern home for families of moderate income but who demand a dignified house of functional style. It is this type of dwelling which Mrs. Luella Creighton has developed in a unique business enterprise.

Woman Conducts Unique Business

Because she saw no reason why her real estate clients should not have moderately priced, small homes of a distinctive type and designed to the highest standards of modern housing, Mrs. Luella Creighton launched a unique business enterprise two years ago. A real estate broker in Toronto, Mrs. Creighton now deals in "Custom-built houses," acting as the link between would-be home owners, architects and builders, advising on financing, design and construction of moderately priced homes.

Building Costs Moving Higher

Rise of 20 to 30% in Prospect for Canada

Building costs in Canada will rise between 20% and 30% during the next two or three years, according to a forecast made by R. M. Smith, Ontario manager of the Canada Paint Co., at a recent meeting of the Canadian Paint, Oil and Varnish Association in Toronto.

New problems are also seen arising from the lack of skilled workers and apprentices studying the building trade and these, it is held, will be reflected also in delays and higher building costs in the near future. New industrial plants under construction are widening the demand for new housing accommodation and in the case of one new plant near Toronto, negotiations are now being carried on among employees by real estate men for the erection of houses to occupy three whole streets.

In this connection, Royal Cluxton, general manager of the Canada Paint Co. believes a similar upward trend is taking place in the paint industry. Demand for modernization is a vital factor in this connection.

Higher metal prices as a result of armament requirements are also likely to increase costs of building and materials in the near future, a trend already manifest in the United States where many firms will not book more orders until they see what raw material prices are going to do. Commitments are only for the near term as a result.

Opens New Office

The Imperial Bank has announced the opening of a new branch at Bourlamaque, Que. to serve the mining communities in that district.

Winnipeg Electric Pays Interest on Series "B"

From Our Own Correspondent

MONTREAL.—Directors of Winnipeg Electric Co. have authorized payment on May 3 of interest for 1936 on the company's general mortgage bonds or debenture stock, series B.

These bonds totalling $6 millions were issued as part consideration in exchange for $10 millions of Northwestern Power Co.'s 6% bonds under the reorganization plan of 1935.

Interest on the series B bonds is payable only out of the "available income," as defined in the trust deed, and only to the extent of 4% per annum for each of the years 1935 to 1941 inclusive, and up to 5% for each of the years 1942 to 1946. After Jan. 2, 1947, the bonds will bear fixed interest at 5%.

Modernize Your Home

ELECTRICALLY!

Are you enjoying all the comforts electricity can provide; lighting, heating, cooking, refrigeration, entertainment, laundering, ventilation — to the greatest extent possible?

Check with your electrical contractor and appliance dealer to make sure your home is truly modern — **electrically.** H.I.P. provides an opportunity to secure a maximum of electrical benefits.

In addition to a complete line of wires, cables and electrical supplies, Northern Electric sells Radios, Leonard Refrigerators, Gurney Ranges, A.B.C. Washers, Royal Vacuum Cleaners, and a complete line of high grade household appliances.

When you buy Northern Electric Supplies and Appliances, you are assured of lasting, trouble-free satisfaction.

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Northern Electric
COMPANY LIMITED
A NATIONAL ELECTRICAL SERVICE

An Important Investment
for your country estate

So much of the charm of a "place out of town" lies in the green grass, the trees, the shrubs and the flowers. You can't hope to be satisfied with your property unless you have a greenhouse which not only provides cut flowers all winter long but which also enables your gardener (or yourself) to bed out young plants early in the spring. New standard designs are now available at lower costs — or we will design either a greenhouse or conservatory to your individual order. Write today for the latest illustrated booklets.

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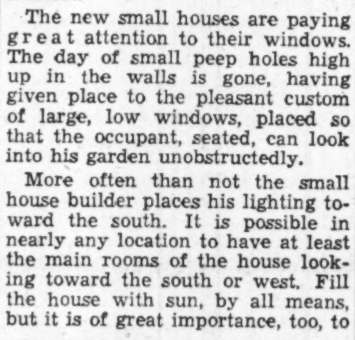
All Conservatories and Greenhouses made in Canada at St. Catharines.

Selected Trees and Shrubs for Canadian Homes



Plan for Lawn and Garden now before the Spring rush is on.

We would be glad to send you our new Jubilee Catalogue of Ornamental Trees, Shrubs, Roses, Plants, including plans for arranging your garden. Just drop a request card.

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The Fonthill Nurseries
Established 100 years ago
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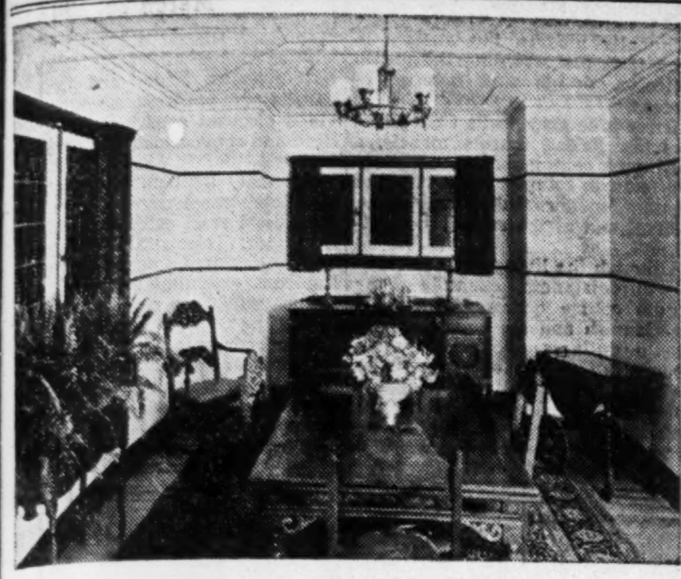
SPRING COMES TO THE
Simpson's

APARTMENTS of TODAY

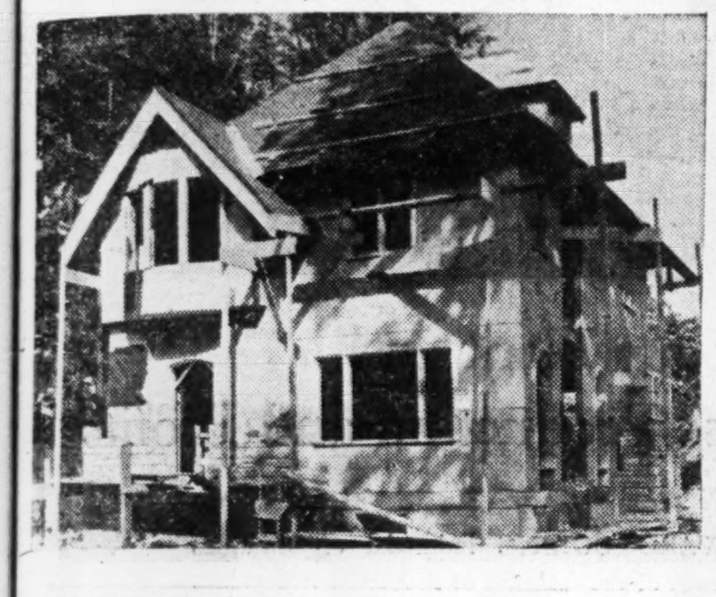
If your fancy is turning to thoughts of "Oh what shall I do with my home this Spring?" . . . step into the "Apartments of TODAY" at SIMPSON'S! These famous Apartments have been done over for Spring . . . they're as refreshing as the sight of the first cheery robin itself. Here you'll see "livable modern" at its best. Whether your problem is a color scheme, a wall or window treatment, you'll find the "Apartments of TODAY" a treasure-trove of practical, usable ideas.

Fifth Floor—Queen and Richmond Streets



WE SAVED UP TO 30% ON FUEL COSTS

"... naturally, we were delighted with the beauty TEN/TEST added to our home. But the money we saved in fuel was the surprise to us. In our first winter we used 2½ less tons of coal than we burned at the old house last year."



TEN/TEST Insulating Board keeps saving fuel costs year after year. It's *permanent*, rigid construction. Easy to apply. Cannot rot. Draft-proof. Weather-proof. And gives an assured degree of insulation.

YES—you use less fuel, often up to ⅓ less, when you insulate with TEN/TEST. For TEN/TEST is permanent insulation. It's rigid. Strong. Unlike some forms of insulation it can't *settle* away from the frame-work. It won't slump in corners of door or window-frames. TEN/TEST stays put. It lasts!

It literally *seals* your house. Biting winter cold hasn't a chance to penetrate. The hot summer sun can't seep in. That's why a TEN/TEST house is warmer in winter — cooler in summer.

But TEN/TEST not only makes a more comfortable house. It makes a house more livable as well. Walls take on a new beauty. Odd spaces become useful spaces. It converts bleak attics into cheery, extra bed-rooms — basements into playrooms or hobby shops.

So whether you're building a new house or remodelling your present one, be wise and investigate TEN/TEST. Study the fuel costs it saves you, the permanence it gives, the beauty it adds to your home. Consult your lumber dealer about TEN/TEST. And write today for the TEN/TEST Book.

INTERNATIONAL FIBRE BOARD LIMITED
OTTAWA - - ONTARIO

TEN/TEST
THE *Lifetime* INSULATING BOARD

Repair Total $1.7 Million At March 1

Ontario Total Double Any Other Province—Quebec Second

From Our Own Correspondent

OTTAWA. — Home improvement loans numbering 4,377 and reaching a total of $1,675,398 had been made at the end of February, according to an announcement of Hon. C. A. Dunning, Minister of Finance.

At the end of January there were 3,959 amounting to $1,501,167. Consequently the increase in number during the first two weeks of February is 418 and in amount $174,230.

The number of loans made in Ontario is now more than double that in any other province, according to the statement. On Feb. 15 Ontario had made 1,609 loans with a total of $584,450. Quebec came next with 748 loans amounting to $387,265, and British Columbia followed with 584 loans totalling $196,159.

The totals by provinces were as follows:

Loans Up To February 15, 1937

Totals by Provinces	Loans	Amounts
Prince Edward Island	41	$ 14,949.88
Nova Scotia	476	147,725.31
New Brunswick	235	82,152.95
Quebec	748	387,264.69
Ontario	1,609	584,449.90
Manitoba	180	66,570.99
Saskatchewan	125	39,385.28
Alberta	379	156,739.84
British Columbia	584	196,159.36
	4,377	1,675,398.20

The full list of cities and towns over 10,000, the number of loans and their total, follows:

In Cities of 40,000 and Over

	Loans	Amounts
Halifax, N.S.	69	$ 25.521
Saint John, N.B.	73	32,343
Quebec, Que.	27	20,586
Montreal, Que.	271	148,297
Verdun, Que.	21	9,400
Hamilton, Ont.	83	22,867
London, Ont.	64	24,207
Ottawa, Ont.	84	41,231
Toronto, Ont.	398	149,544
Windsor, Ont.	79	26,421
Winnipeg, Man.	194	44,733
Regina, Sask.	14	5,514
Saskatoon, Sask.	8	2,911
Calgary, Alta.	65	30,701
Edmonton, Alta.	99	47,116
Vancouver, B.C.	199	66,408
Victoria, B.C.	38	13,265
	1,696	711,073

In Cities of 20,000-40,000

	Loans	Amounts
Glace Bay, N.S.	43	$15,246
Sidney, N.S.	53	16,083
Moncton, N.B.	41	18,193
Hull, Que.	3	900
Outremont, Que.	6	5,100
Sherbrooke, Que.	20	11,310
Three Rivers, Que.	12	7,945
Westmount, Que.	16	8,265
Brantford, Ont.	12	3,623
Fort William, Ont.	12	6,772
Guelph, Ont.	19	9,720
Kingston, Ont.	25	7,942
Kitchener, Ont.	50	12,691
Oshawa, Ont.	31	6,921
Peterborough, Ont.	34	10,531
St. Catharines, Ont.	27	14,187
Sault Ste. Marie, Ont.	5	1,265
	409	156,697

In Cities and Towns 10,000-20,000

	Loans	Amounts
Charlottetown, P.E.I.	21	$ 6,975
Chicoutimi, Que.	2	1,600
Granby, Que.	4	1,017
Joliette, Que.	4	3,440
Lachine, Que.	9	5,079
Levis, Que.	6	3,100
St. Hyacinthe, Que.	7	6,927
St. Jean, Que.	1	550
Shawinigan Falls, Que.	11	4,800
Sorel, Que.	5	1,325
Thetford Mines, Que.	4	2,025
Valleyfield, Que.	3	750
Belleville, Ont.	12	3,151
Chatham, Ont.	17	6,446
Cornwall, Ont.	12	4,065
Galt, Ont.	18	4,470
Niagara Falls, Ont.	28	12,428
North Bay, Ont.	15	3,772
Owen Sound, Ont.	8	2,982
Port Arthur, Ont.	6	1,420
St. Thomas, Ont.	15	5,773
Sarnia, Ont.	32	8,493
Stratford, Ont.	13	3,431
Sudbury, Ont.	28	12,569
Timmins, Ont.	10	6,907
Welland, Ont.	3	380
Woodstock, Ont.	15	3,800
Brandon, Man.	9	2,510
St. Boniface, Man.	6	4,248
Moose Jaw, Sask.	7	2,589
Prince Albert, Sask.	22	4,817
Lethbridge, Alta.	5	4,547
New Westminster, B.C.	44	15,805
	401	152,198
Total	2,506	1,019,968

Home Loan Restrictions Ensure Modernization

Large Range of Household Equipment Eligible Provided It Is Built in or Otherwise Permanently Attached

Home equipment, to be eligible for financing under the Home Improvement Plan, must be permanently attached to the dwelling or built in as an integral part of it, but there is a fine distinction between many types of equipment as to their eligibility or otherwise. Portable equipment is ineligible.

Furniture and home furnishings are ineligible. So are carpets, portable radios, bulbs, tables and floor lamps, fireplace accessories, electric fans and a score of other articles.

Permanently attached equipment eligible for loans includes the following:

Eligible For Loans

Built-in bathroom fittings, built-in bookcases, built-in package or milk receiver, wall, ceiling and special electrical fixtures, permanently attached mirrors, awnings with frames attached to building, built-in fireplaces, whether wood, coal, gas or electric, linoleum or other composition flooring or fitted to cover entire room and fastened to under-floor, all kinds of weather stripping, vacuum cleaners, medicine cabinets, lightning rods, venetian blinds, ventilators, and electric light plants when all these are built-in or permanently attached to the house. Elevators, dumb waiters and fire escapes are likewise eligible.

An example of the method by which eligible and ineligible equipment is classed is seen in the case of linoleum or other permanently attached floor coverings. These can be installed by means of a loan but removable mats are ineligible. Medicine cabinets cannot be purchased by loan if they hang from the wall. Removable vacuum cleaners, lightning rods and blinds are also ineligible.

Kitchen Equipment

Housewives anxious to secure needed kitchen equipment are not hampered by the restrictions which permit acquisition of built-in stoves using gas, electricity or a combination fuel, but here again it is not possible to secure a loan to purchase removable stoves. Refrigerators, kitchen cabinets, garbage disposal units or incinerators, permanently attached ironing boards, and dishwashers permanently connected with the plumbing system are all eligible if they conform to the built-in requirements but not otherwise. There is scarcely an article of kitchen equipment that cannot be obtained under the loan plan, provided it is a permanent fixture.

In the kitchen as in other sections of the house, the effect of the "built-in" restriction is to modernize the home.

Restrictions are, of course, made for the purpose of ensuring permanent home improvements rather than augmenting the family budget for scores of minor, removable articles quickly worn out, lost or misplaced. In the kitchen particularly, the modern system of compact built-in cupboards, sinks, stoves and other equipment is so obviously superior to the older methods of installation that kitchen and other household modernization is in reality assured by loan plan restrictions although these may have been designed primarily for other reasons.

Plumbing and heating equipment is expected to form a major part of the home loan modernization plan. Heating equipment, air-conditioning, humidifying equipment, blower units, oil burners, oil tanks, domestic water heaters, domestic water storage tanks, control equipment, ash hoists and stokers are all eligible for loans.

In the plumbing group water pressure systems, wells, water softeners, septic tanks and laundry dryers may all be acquired via the loan plan.

Building Helps Steel Industry

Canadian Producers May Experience Best Year Since 1929

Expansion of construction operations in Canada has improved 1937 prospects for producers of steel and steel products.

World production of steel in 1936 was the largest in history and exceeded the 1929 figure by about 2%. A total of 123 million tons of steel came from open-hearth and other pouring organizations and steel plants.

In Canada, however, the situation was the reverse and in 1936, according to Stuart I. Kell, assistant sales manager of the Steel Co. of Canada, Canadian production of 1.150.000 tons of steel was only about 80% of the Canadian output of 1929.

Expanding industrial activity accounted for only a part of the rise in 1936 world production, however. The bulk of the tonnage was devoted to rearmament in Great Britain and Europe with the result that any large building and industrial activity this year could, observers believe, find reflection in sharply higher steel output totals.

U. S. Produces 52%

The United States, with 52% of the world's steel capacity, led all producing nations with an output of about 48 million tons in 1936 which, according to Mr. Kell's compilations, represented an increase of 32% over the previous year. Great Britain meanwhile has increased her position in the steel industry steadily, with a production of about 12 million tons last year.

On the basis of the world situation and the Canadian record it appears that Canada has lagged behind other steel producing countries. On the other hand, recent orders for armaments placed by British interests in Canada, a reviving construction industry, and prospects for further industrial demand for all types of steel are factors regarded by most observers as distinctly encouraging indications of the Canadian steel outlook this year. It is quite possible that the industry may equal the 1929 volume of production.

Junk Dumping Is New Menace To Sanitation

U. S. Dealers Dump Discarded Equipment in Canadian Cities

SHIPPED IN TRUCKS

Enterprising junk dealers in the United States are attempting to use Canada as a dumping ground for second-hand bathtubs and other plumbing and heating equipment, discarded from United States homes as a result of the Federal Housing Act's modernization provisions.

Montreal, Hamilton and Toronto are reported to be the chief centres to which truckloads of the "junk" equipment have been shipped in an effort to find a market for the obsolete bathroom fixtures, old-fashioned pipe fittings and radiators. In turn, representations have been made to Ottawa authorities by the Canadian plumbing and heating industries with a view to stopping the flow of low-grade equipment. No fear is felt regarding the competition from junk plumbing imports but at a time when the Home Improvement plan in Canada is getting under way, trade circles object to dumping of cheap and obsolete equipment in Canada.

Price Factor Involved

There is nothing in the Home Improvement Plan regulations to prevent its purchase with Home Improvement loans and thus it may compete on price appeal with modern equipment, produced in Canada and of a type which the Home Improvement Plan was designed to provide. A further complication is that the junk importations are arriving in Canada at a time when large amounts of second-hand plumbing and heating installations are also likely to be placed on the Canadian junk market as a result of the Home Improvement Plan.

Origin of the present situation lies in the fact that United States dealers do not apparently need to allow much credit for old equipment when new installations are approved by local United States housing authorities. The result is that old bathtubs and other fixtures are sold as scrap metal at low prices, and then assembled by junk dealers for "export." Once aboard trucks bound for Canada the junk is subject only to the usual customs inspection and is not examined as to country of origin because of their second-hand character.

Passports Reduced

Passport visas have been reduced from $10 to $2 each for travellers between United States on one hand and Great Britain, Australia, New Zealand, India and the Irish Free State on the other.

The ordinary traveller going to United States from Canada or vice versa, of course, is not subject to any fees of this kind.

House Building Active on Coast

Largest items in Vancouver's February record of building construction were permits for 33 dwelling houses with a value of $110,400 and 37 permits for repairs and alterations to dwellings, with a value of $10,860, a total for both of $121,260.

Stores and offices were the next largest items, with workshops, factories and warehouses in third place.

Total permits for a new building as well as repairs and alterations in February are reported by Vancouver at $202,545, of which $45,245 was the amount for repairs and alterations. The total compares with $1,108,160 in February of 1936, but the latter figure includes the permit for the erection of Vancouver's city hall.

Interprovincial Brick Shows Operating Profit

Interprovincial Brick Co. reports an operating profit of $5,001 in 1936, as compared with a deficit of $304 in the previous 12 months. The improvement in the company's position came about in the latter part of the year, and it is anticipated that 1937 will show more favorable results.

The balance sheet shows a moderate improvement in position, with cash up from $9,852 to $18,103; receivables from $13,455 to $23,463; and working capital from $42,032 to $47,186.

Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Operating profit	5,001	*304
Less: Exec. salaries	270	270
Mortgage interest	3,672	3,673
Depreciation	1,059	......
Deficit	......	4,247
Previous deficit	148,708	144,461
Deficit forward	148,708	148,708
Working Capital		
Current assets	66,589	55,264
Current liabilities	19,403	13,232
Working capital	47,186	42,032

English Funds To Aid Building

British Group Show Interest in Canadian Real Estate

Although it is obvious that private investment funds will be redirected into house and business construction this year on a larger scale than any similar movement of the last four years, new possibilities exist for a flow of foreign and British capital into Canadian housing.

Success of British housing schemes is one reason why English groups are looking toward Canada as a possible channel of building investment, and negotiations are under way in at least one municipality with that object in view.

English investment interests are represented in York Twp., Ont., by an agent who has recently opened negotiations with the municipal council for purchase of land on which it is planned to erect low cost workmen's houses. Options have been secured on property in other municipalities.

The York Twp. offer consists of a 45-day option to purchase a frontage of 1,590 feet at $7.50 a foot. Tax arrears on the property total $13,000 and it is now registered as county property.

Plans include erection of five-roomed bungalows to sell around $3,000 or less. They will be about 20 feet wide and finished in stucco. The builders are expected to install their own water mains and if the plan is carried out it will yield about $4,400 a year in taxes to the municipality.

New Building

Daily Commercial News and Building Record reports:

Bank of Canada has awarded the general contract for erection of its head office building, Ottawa, to Pigott Construction Co., Hamilton.

J. P. Coulson, Ottawa, will erect a $250,000 fireproof, four-story hotel in Sudbury, to replace a structure destroyed by fire.

A Very Fine
Queen Anne Chair
Suitable for
Executive Offices
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RIDPATH'S
906 Yonge Street, Toronto

Soap and Water
RESTORES THE BEAUTY
OF THIS SATIN FINISH
at any time

SHERWIN-WILLIAMS
Semi-Lustre

THE MARVELLOUS NEW
GUARANTEED WASHABLE SATIN ENAMEL
FOR WOODWORK, FURNITURE & WALLS

This scientifically developed Satin-Enamel overcomes the last drawback to satin finishes. Stains, finger marks and accumulated grime wash off Semi-Lustre easily with soap and water, leaving the lovely satin surface like new. Semi-Lustre can be used in living room, bedroom, bathroom or kitchen . . . on walls, furniture and woodwork . . . without fear of stains marring the beauty of the finish. Sherwin-Williams Semi-Lustre is easily applied, dries quickly and is DEODORIZED. The 13 modern pastel shades can be intermixed to give you almost any desired tint. Enquire at any paint store carrying Sherwin-Williams paints for the Semi-Lustre color chart: or write us direct, . .

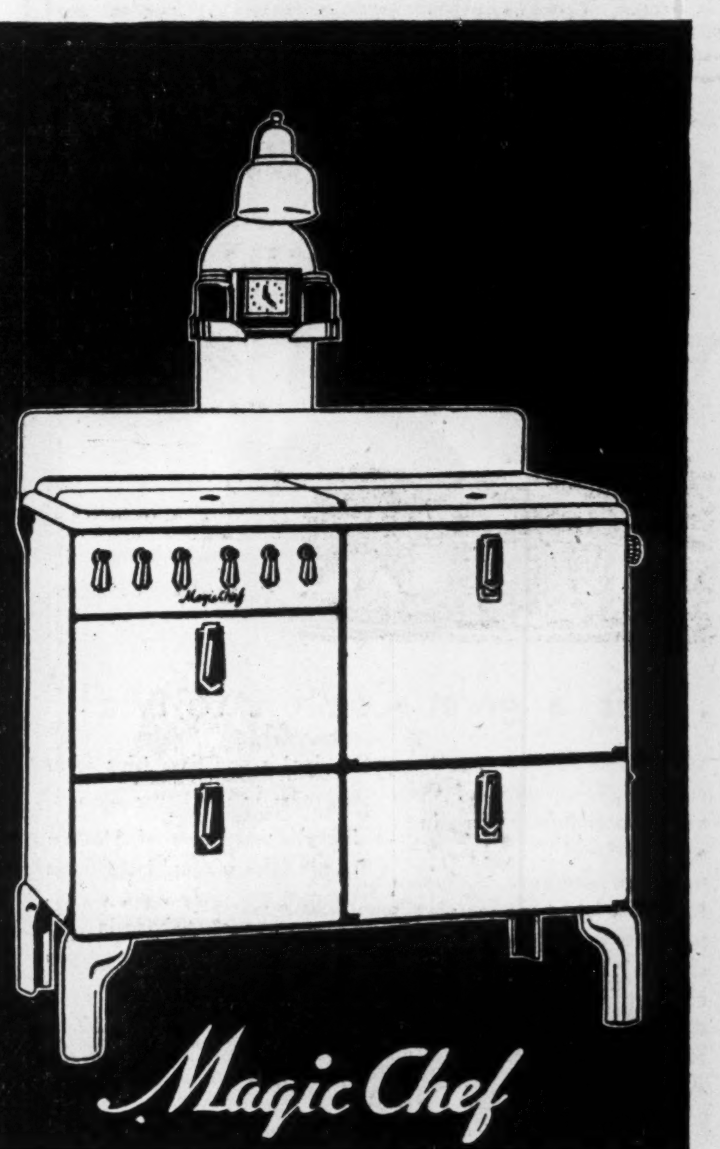
THE SHERWIN-WILLIAMS CO.
of Canada, Limited
Head Office MONTREAL

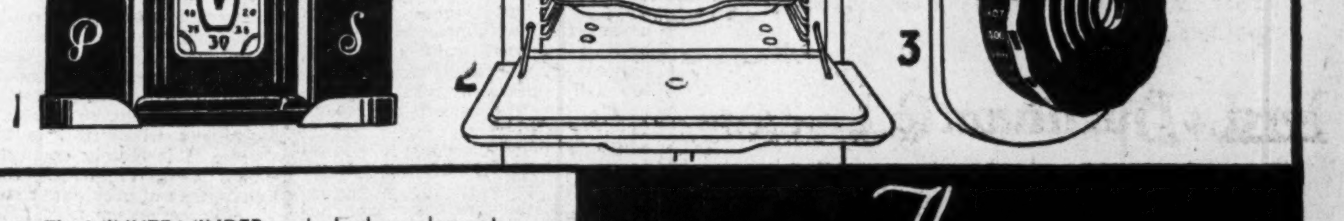
As MODERN *as to-day's* FASHIONS

Which means that the modern gas range is the touchstone of good taste in the kitchen. But the gas range of today will still be modern when milady's hat is as dated as King Tut's tomb.

The MAGIC CHEF gas range is the product of the artist and expert artificer, and is built to the specifications of hundreds of discriminating cooks.

That is why it has the minute minder, an insulated oven with automatically controlled heat, an improved broiler and a bread-toasting compartment — not to mention automatic lighting for the top-burners. And the finish — the beauty of its enamel porcelain is a treat to the eye.





1. The MINUTE MINDER, a clock whose pleasant ring calls the homemaker to the range when cooking time is up.
2. The efficient broiler with the improved broiler pan — an easy-to-use chamber for preparing delicious broiled foods.
3. The RED WHEEL accurate heat control — a feature on every MAGIC CHEF gas range, which, with the MINUTE MINDER, gives the best cooking results.

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55 Adelaide Street, East
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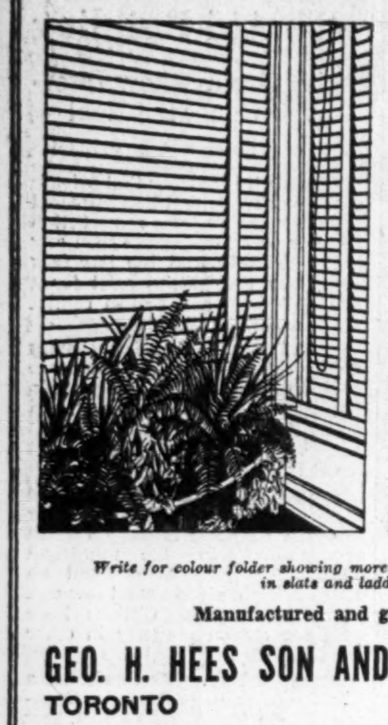


Whether for Home Improvement or for smartening up the office

HEES
Venetian Blinds

not only add immeasurably to the appearance of room or office but they provide **CONTROLLED DAYLIGHT**—the strong glare of direct sunshine on even the hottest day can be diffused to a softened, comfortable illumination that is efficient yet non-glaring. In the home, the elimination of direct sun glare on treasured furnishings prevents fading and destruction of fabrics—the health of the family will benefit by the softened light.

HEES VENETIAN BLINDS LAST A LIFETIME—ARE RELIABLE—KEEP THEIR SMART APPEARANCE—are easily kept immaculately clean.

Write for colour folder showing more than twenty beautiful colours in slats and ladder tapes.

Manufactured and guaranteed by

GEO. H. HEES SON AND COMPANY LIMITED
TORONTO MONTREAL

Mortgage Body 50 Years Old

C. S. Robertson President of Ontario Land Mortgage Ass'n

Addressing the 50th annual meeting of the Land Mortgage Companies' Association of Ontario, L. A. Winter, retiring president, reviewed the association over its 50 years of history. This association was first organized by representatives of loan companies in Toronto at a meeting held March 3, 1887.

The notice calling the organization meeting in 1887 made references to the tendency of borrowers to attack loan companies and other lenders under the guise of winning popular support.

The Land Mortgage Companies' Association was at first confined exclusively to loan companies, but later admitted trust companies and insurance companies.

In 1924 the Land Mortgage Companies Association became affiliated with the Dominion Mortgage and Investments Association and undertook to handle problems affecting the interests of life insurance loan and trust companies in Ontario.

Officers and Executive

The officers of the Land Mortgage Companies Association elected for the current year are as follows: C. S. Robertson, of the Canada Permanent Mortgage Corp., Toronto, president; C. E. Weeks, of the Victoria Trust Co., Lindsay, first vice-president; H. S. Awrey, of the Sun Life Assurance Co., Toronto, second vice-president; G. R. G. Baker, secretary-treasurer.

Members of the executive committee for 1937 include: W. H. Somerville, Waterloo; R. E. Woodcock, S. E. Cork, M. A. Bradshaw, W. G. Watson, J. C. Breckenridge, Walter Gillespie, Toronto; E. E. Reid, T. H. Main, R. P. Baker, London; P. V. Wilson, Kitchener; W. H. Gregory, Stratford; W. R. Paul, Sarnia; W. J. Helm, Port Hope; J. M. Purcell, Guelph.

"This 'Extension'

... is a great Comfort to Me!"

Most homes require more than one telephone, some of them need two or three and perhaps an additional line, to assure maximum comfort. An extra telephone in the kitchen always proves a great convenience, it ensures the housewife efficient handling of domestic routine and saves miles of steps. A telephone upstairs eliminates countless trips from one floor to the other.

For the small sum of $1.30 a month (plus a small installation charge) you may have an extension hand telephone in your home — just where you want it.

Telephone our Business Office for further details.

In The Construction World

"THERE cannot be much doubt," says the real estate department of The Guardian Trust Co., Montreal, "that this is the best time to improve or modernize all classes of real estate." Discretion, however, should be used, the trust company feels, because "it is easy to spend more in modernization than can be realized in increased value or income."

Which is true, but so also is the same company's conclusion that property always well maintained will, in the long run, yield higher income and resale profits than that which is allowed to depreciate. As in the case of most business and economic situations, the middle course is the best in home modernization plans which envisage the expenditure of money borrowed at interest.

Nothing is to be gained by throwing away good money on bad real estate or worthless buildings, decayed beyond the point at which modernization can restore them to use. Buildings no longer fit for use and dwellings unfit for further human habitation have no place in the scope of the Home Improvement Plan, but owners of these structures might be well advised to consult contractors or other building sources and secure expert advice on what to do with seemingly useless buildings. Where these are beyond rehabilitation, it is still possible or even probable that use of the site for erection of a new and suitable type of structure would prove a sound investment at a profitable return.

• • •

Depreciation and Obsolescence

THERE is an important difference between depreciation and obsolescence, although the two terms are frequently and wrongly used synonymously. Depreciation is the wear and tear on a rental income property which has a "use value" and which consequently causes the structure—or any other object in use—to wear out, to have its usefulness gradually reduced and finally eliminated.

Obsolescence is entirely different in its process. It is the loss of "use value" which is not altered by wear and tear, but by other factors, including changes in public demand or requirements, the transition, for example, in demand in some urban areas from frame dwellings toward brick dwellings, the preferencce of the public for air-conditioned trains over the cinder and dust distributing types of older railway cars, or a desire for electric refrigerators in place of the older ice-boxes.

• • •

Gains Are Forecast In Heating Equipment

MODERNIZATION and home building programmes have a very direct bearing on prospects for manufacturers of plumbing and heating equipment in 1937.

Estimates of the value of sanitary enamelware to be produced in 1937 place the total at a point where slightly more than half the depression decline in this article would be regained.

Galvanized range boilers produced in Canada in 1936 exceeded in value the total for 1929 by about 1% to 2%, and 1937 promises to be a record-breaking period in this connection. The maximum may be $620,000 or 35% over 1936 output. A maximum advance of 14% to 15% is expected in cast-iron pipe and fittings, and if this gain is effected, total value of production will be about one half the aggregate of 1929, a substantial gain over recent years.

• • •

Extent of Expansion Depends on Trade Effort

AS FOR the plumbing and heating industry as a whole, an increase in value of production of 75% as a "maximum probability" is foreseen in 1937. Should the gain be realized, the effect on labor conditions, raw material suppliers and fabricators will be pronounced, although in relation to 1929 it would be still far below the volume of business of that peak year.

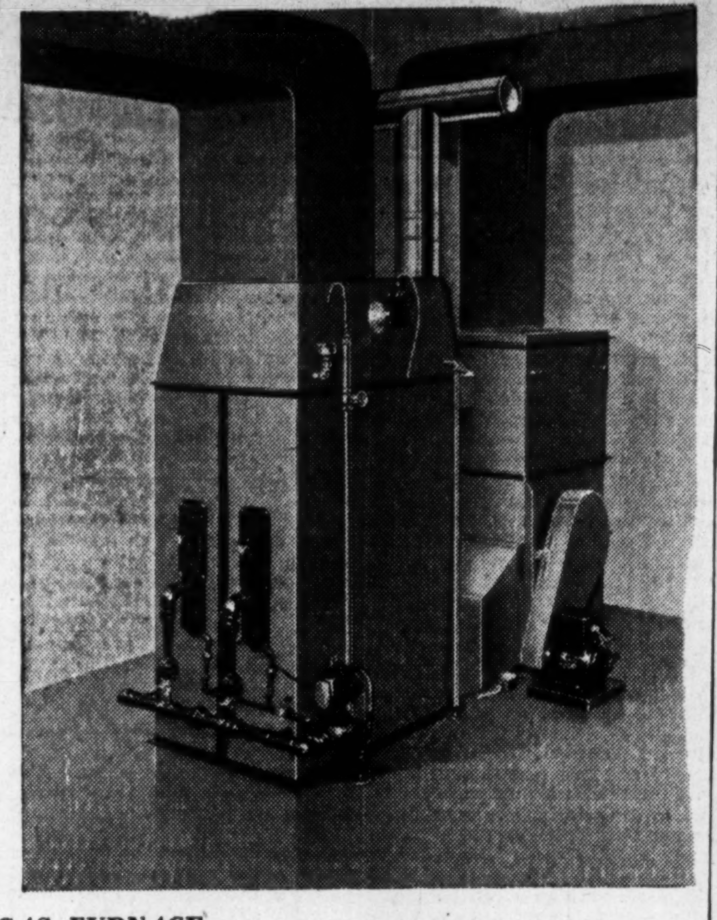
Strongly emphasized in the plumbing and heating industry is the need for intensive and aggressive sales effort if the estimates for 1937 are to be realized, more particularly in the field of renovation where the Home Improvement Plan and the industry's modernization campaign are important complementary factors.

Protection for Private Estates

STELCO Chain Link FENCE

Put Stelco—the *Copper Bearing* heavily galvanized, chain link fence — around your property. Erected on Stelco Pipe for rust-resisting, sag-proof permanence. A Stelco Fence never needs painting nor expensive upkeep. Its first cost is its *last*. Made in Canada from ore to finished product. Write for booklet on home fencing. Estimates supplied without obligation.

THE STEEL COMPANY OF CANADA LIMITED
Hamilton: [illegible] 1200 Toronto: Elgin [illegible]



GAS FURNACE

Elimination of fuel storage space in the basement and a remarkable degree of cleanliness are achieved through development of the gas furnace. The unit shown above has been developed by engineers of Consumers' Gas Co., Toronto. Quietness of operation, among other features, is popularizing the equipment among home owners.

Utility is Keynote Of the Modern Home

Architectural Anachronism Can be Transformed Into Dignified, Comfortable Dwelling of Smart Simplicity at Moderate Cost

By THOMAS C. THOMPSON

Home modernization in the 1937 manner, combining good taste with utility and functional design, is an art.

It lies somewhere between the two extremes of homes which are merely anachronisms left over from the mauve decade and those transformed by well-meaning owners into something resembling a stage setting from a musical comedy extravaganza. Doubly unfortunate, the latter effect may be as expensive as an elaborate stage setting but it is rarely as pleasing.

Yet if care and moderately good judgment in planning a scheme of home modernization are used, the plan need not be expensive nor the furnishings costly. Simplicity is the keynote of good taste in home modernization and the maximum of $2,000 allowed for a single loan under Canada's Home Improvement Plan is ample for almost any modernization programme from basement to attic in the house of average size. Indeed, that amount can cover such modern luxuries as basement recreation rooms and children's playrooms. Furnishings, however, are not eligible under the Home Loan Plan. Where financial resources are sufficient, there is no limit to the luxury in which a modernized home can be equipped but the modern trend toward simplicity of design in home equipment makes it a matter of good taste to exercise restraint in furnishings also. The latter, to be in keeping with modern decorative ideas, are far removed from the gilded scrollwork, ornate draperies and betasselled, dust-accumulating curtains, blinds and shades of the 'nineties.

Simplicity is Economy

This tendency toward simplicity of design and style in the modern Canadian home is of vital importance in the scheme of home modernization for it allows removal of outworn, outdated and sometimes hideous appurtenances from both the exterior and interior of a house, and a consequent simplifying process in which the modern conception of architectural beauty of line is achieved at small cost and with far less difficulty than is generally realized. There are no bulging bay windows to be tacked on, no unsightly towers in imitative "French château" style to be added, no fancy iron railings to be hoisted to the roof. And with the passing of these outmoded encumbrances a new appeal is given to a home.

The market value is increased, rental value enhanced, saleability improved, maintenance costs reduced, and its occupants given a new outlook in harmony with the progress of the times.

Not the least important factor in modernization of Canadian homes is the psychological change it can exert on those who live in them, and the result of the transformation of an old house into a modern, comfortable dwelling, where the environment and surroundings can work equally progressive changes in the habits, outlook and physical conditions of the occupants.

Additional Space

For the individual home owner the problem of modernization looms large unless there is realization that improvements in structural directions are usually a matter of removing rather than adding to the building. Any old house affords a dozen instances where this is true, and while it is closely connected with costs it has the equally important advantage of providing space which the home owner may never have considered and which may be put to advantage in the form of extra rooms.

Thus the question of home modernization resolves itself into two main phases; structural alterations, renovations and repairs and the corresponding modernization of equipment and furnishings.

Perhaps the most striking example of what can be achieved structurally is the transformation of what is now known as the "Hudson's Bay Company's Winnipeg House," chosen by Chatelaine Magazine as Canada's "Home of the Month" for March in a nation-wide contest for the best example of home improvement in Canada each month.

Located in Winnipeg, the house was selected by the Hudson's Bay Co. for an experiment in home modernization. The selection was made with an almost Quixotic disregard for the difficulties facing those who were to transform the old, decayed architectural monstrosity into a modern home.

They did it, and most of the improvements could have been made within the $2,000 loan limit of the Home Improvement Plan.

Under the direction of Moody and Moore, architects, and with the services of the Malcolm Construction Co. as contractors, the Hudson's Bay Co. literally performed a miracle of renovation. The house, situated on Stradbrook Ave. in Winnipeg, was in a good district but it was in bad condition. All extraneous "decorative" features were removed from the exterior, and the methods used were simple and inexpensive.

The verandah, with its frame and glassed-in sides, was removed entirely and a bay window was taken from the front of the building where brick veneer, painted, replaced the former frame exterior exposed to weather. An unsightly dormer window was taken from the front slope of the roof and the roof reshingled. The whole house was insulated. Windows were removed and others added at low cost and by simple methods. The exterior of the house was completely transformed from an ornate but dilapidated relic to an almost severely simple modern home.

An even more sweeping change took place inside and the result, it may be noted, is far more impressive than the result of the modernization plan of the exterior.

Interior Transformed

Taste guided the interior plan and achieved a modern note of comfort, simplicity, dignity and cleanliness.

A transformed stair-hall, modern coatroom and washroom were installed in the space formerly lost to utilitarian purposes. The living room, bare, dingy, and discolored, became a completely modern room equipped with horizontal wall lines, ceiling to floor draperies at the windows, red broadloom carpet, blonde maple furniture and indirect lighting arrangements. The old-fashioned fireplace gave way to a modern installation. The furniture is equally modern but strictly in good taste and avoiding the garish in color, design and number of pieces.

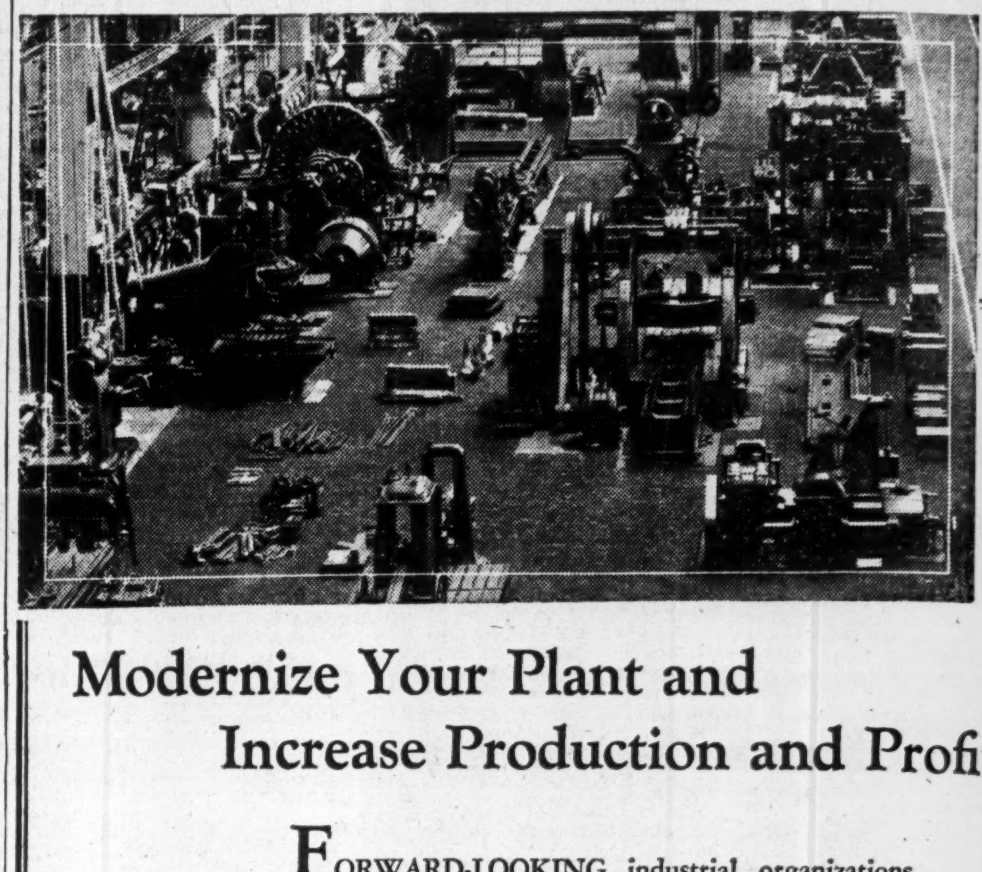
Three-tone grey walls, Cellophane curtains, Italian marble mantle, a blush pink ceiling and other distinctive features completed the effect of pleasant, modern living conditions, colorful and at the same time restful.

Although the living room is probably an outstanding example of the middle course necessary to avoid the freakish and the equally undesirable dullness of unimaginative modernization, the other areas of the house clearly indicated the taste which both guided and restrained the designers of the whole plan.

Dining room modernization in the "Winnipeg House" did not involve any extensive structural changes, but Venetian blinds and Chinese pagoda blue paper on the walls provided pleasant departures from the staid and conventional in decorative features.

But the kitchen underwent a complete transformation in which wall lined steel cabinets, large refrigerator, electrical equipment, built-in features, compact range and linoleum extending in a curve to form a wall base were outstanding items.

Four bedrooms of ancient vintage, upstairs, and a dilapidated bathroom were completely altered to form a master bedroom, sunroom, dressing room and bath.



Modernize Your Plant and Increase Production and Profits

FORWARD-LOOKING industrial organizations are taking advantage of the facilities of Industrial Acceptance Corporation Limited to modernize their plants and bring up-to-the-minute production efficiency.

I.A.C. Plans represent a sound method of acquiring machinery without involving a substantial outlay of capital. The Deferred Monthly Payments, under the I.A.C. plan of purchase, are often less than the increased profits enjoyed from the use of more modern and efficient equipment.

Various types of industrial machinery and equipment may be purchased through the facilities of Industrial Acceptance Corporation Limited.

Modernize your plant now and place yourself in a more competitive position in your particular field.

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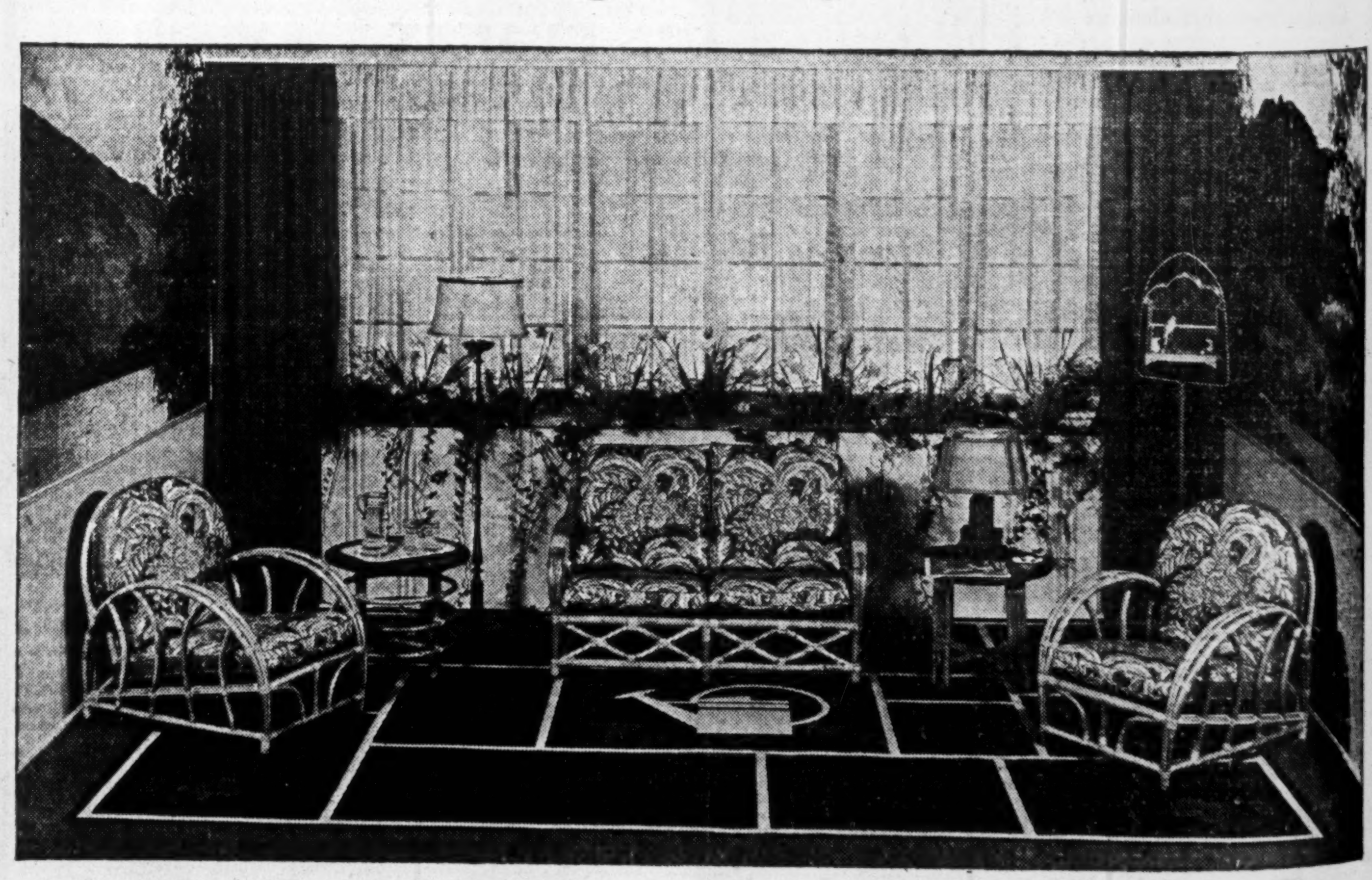
A NATIONAL SERVICE — A CANADIAN COMPANY

DOMINION *Battleship* LINOLEUM



The field of this floor is Black Dominion Battleship Linoleum with Ivory inlays. The border is Terra Cotta, while the decoration and flowers are Ivory, Terra Cotta and Green.

Photomurals by Donaldson Yuile.

Style • Colour • Character • Permanence • Economy

These are among the outstanding qualities of Dominion Battleship Linoleum Floors—custom-built to your own taste to form the decorative keynote of every room. No less than twenty-one colourful shades and effects are offered, to be laid plain, with border or in any tile or special design your fancy dictates. Dominion Battleship Linoleum, as a permanent floor, qualifies under the Home Improvement Plan. It is surpassingly easy to clean and keep clean and never needs expensive refinishing. Consult any Flooring Contractor, Departmental Store or Interior Decorator.

DOMINION OILCLOTH & LINOLEUM COMPANY LIMITED • MONTREAL

Company Reports

Gleneagles Investment Co.

Gleneagles Investment Co., operating an apartment building in Montreal, reports a small increase in net income for 1936. During the year the company purchased $19,500 5% first mortgage income bonds, making the total now held $75,100 out of the total issued amount of $1,052,300.

Payment of interest out of 1936 earnings on the income bonds totalled 3½%, 1¾% of which was paid Sept. 1, 1936, and the balance on March 1, 1937.

Income Account
Years Ended Dec. 31

	1936	1935
	$	$
Revenue	142,318	139,894
Less: Oper. costs	56,931	60,015
Taxes	35,354	34,111
Deprec. & misc.	17,209	14,532
Net revenue	32,824	31,236
Less: Int. on income bonds	34,200	42,092
Deficit for year	1,376	10,856

Working Capital

	1936	1935
	$	$
Current assets	40,787	38,281
Current liabilities	6,205	5,365
Working capital	34,582	32,916
Ratio	6.57—1	7.14—1

Hamilton Cotton

Hamilton Cotton Co., for the year ending Dec. 26, 1936, shows net profit equal to $5.74 a share on the preferred shares of $30 each. Dividend requirements are $2 a share. Earnings on the common stock amounted to $3.56 a share in 1936 against $2.39 in 1935.

Full dividends were paid on the preferred stock in 1936, leaving accumulated arrears at $6.50 a share.

A further $27,000 of the company's 5½% first mortgage bonds have been redeemed, leaving the balance outstanding at $753,000. Bond interest was earned 4.23 times compared with 3.48 times in 1935.

Income and Surplus Account
Years Ended

	Dec. 26 1936	Dec. 28 1935
	$	$
Operating profit	325,308	284,830
Add: Inc. from invest.	55	1,152
	325,363	285,982
Less: Exec. remun.	29,954	29,700
Directors' fees	1,400	1,400
Net income	294,009	254,882
Less: Depreciation	122,281	99,325
Bond interest	40,590	44,715
Prov. for taxes	22,000	25,000
Net profit	109,138	85,842
Less: Pref. divds.	38,024	28,518
Surplus for year	71,114	57,324
Add: Prev. surplus	421,625	366,055
Less: Addit. inc. tax	297	1,219
Loss on bonds red.	......	535
Loss on secs. sold	2,346	......
Surplus forward	490,096	421,625

Working Capital

	1936	1935
	$	$
Current assets	900,354	837,631
Current liabilities	160,953	151,677
Working capital	739,401	685,954
Ratio	5.59—1	5.52—1

Borden Co.

The Borden Co. reports an increase in sales tonnage of 4.8% in 1936 and in sales value of 9.4% as compared with 1935.

Earnings available for the company's 4,396,704 shares of common stock were equivalent to $1.80 a share in 1936 and $1.10 in 1935. Thus the year's dividend of $1.60 was covered comfortably whereas there was a deficit in 1935.

Cons. Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Net sales	238,844,538	229,888,089
Less: Cost of sales and exps.	229,578,496	224,230,546
Net oper. profit	9,266,042	5,657,543
Add: Other income	453,967	339,559
Net earnings	9,720,009	5,997,102
Less: Income taxes	1,702,483	1,020,946
Maint. expend.	96,036	133,808
Net profit	7,921,490	4,842,348
Less: Dividends	7,034,726	7,034,726
Surplus for year	886,764	*2,192,378
Add: Prev. surplus	20,281,686	22,474,064
Surplus forward	21,168,450	20,281,686

*Deficit.

Working Capital

	1936	1935
	$	$
Current assets	56,430,388	53,154,264
Current liabilities	14,247,154	12,350,431
Working capital	42,183,234	40,803,833
Ratio	3.96—1	4.30—1

Consolidated Bakeries

Consolidated Bakeries of Canada reports net profits for 1936 equivalent to $1.01 a share on the 318,440 ordinary shares, slightly more than the dividends of $1 a share for the year. In 1935 earnings were slightly above the dividends of .90 cents a share. Of the 1936 profit, nearly 29 cents a share came from investments and rents, compared with less than 24 cents a share from these sources in 1935.

Balance sheet changes appear of minor importance, except for an increase of book value of investments to $1,364,076 from $1,121,748. In 1936 the total market value of these rose to $2,254,588, compared with $1,361,959 in 1935. Only the book value is shown in the working capital.

Plants as written down in 1933 stand at $4,046,747, less depreciation reserve of $2,206,853.

Income and Surplus Account
Years Ended

	Dec. 26 1936	Dec. 28 1935
	$	$
Operating profit	433,302	437,282
Less: Depreciation	125,472	134,736
Income taxes	50,199	52,328
Exec. salaries	24,750	32,750
Directors' fees	700	720
Legal fees	1,598	1,859
Net earnings	230,583	214,889
Add: Inv't income	87,007	66,481
Rents received	3,994	3,782
Net profit	321,584	287,152
Less: Dividends	318,443	286,599
Surplus for year	3,141	553
Add: Prev. surplus	223,980	223,427
Surplus forward	227,121	223,980

Working Capital

	1936	1935
Current assets	1,900,128	1,746,647
Current liabilities	405,293	239,087
Working capital	1,494,835	1,507,560

G. Tamblyn Ltd.

Earnings of G. Tamblyn Ltd. in 1936, available for distribution on the common stock, were equivalent to 84 cents a share on the new common shares of the company. Profits in 1935 available for the common were equivalent to 81 cents a share on the present common stock capitalization of 112,000 shares.

Profits of $118,647 compare favorably with the estimate of $105,000 made by the company when the new common shares were offered in October last. It should be noted, however, that $9,721 profit from the sale of securities is included in the net profit figures given above.

The reduction in operating profit is due to the inability of the company to adjust retail prices in the early months of the year to absorb the increased sales tax.

Sales in 1936 totalled $3,490,127, compared with $3,463,986 in 1935. Profits in the first two months of 1937 have shown an increase over the corresponding period of 1936.

Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Operating profit	256,614	261,493
Less: Salaries & legal fees	64,364	54,921
Net oper. profit	192,250	206,572
Add: Interest	†560	6,798
Profit on invests.	9,721	......
Net earnings	202,531	213,370
Less: Interest charges	......	3,832
Depreciation	50,231	48,932
Amort. of leases	13,286	12,714
Income tax	20,387	23,808
Net profit	118,647	124,084
Less appropriations:		
Pref. (new) divds.	3,750	......
Pref. (old) divds.	20,735	32,422
Com. (new) divds.	22,400	......
Surplus for year	71,762	91,662
Add: Previous surplus	577,326	513,058
Less: Pref. redemption	*206,554	27,394
Refinancing exps.	18,441	......
Balance forward	424,093	577,326

†Net. * Includes $44,823 premium on pref. shares redeemed during 1936 and $161,730 appropriations to capital surplus for balance of cost of such preferred shares redeemed from current funds.

Working Capital

	1936	1935
	$	$
Current assets	1,004,502	1,111,692
Current liabilities	336,758	319,913
Working capital	667,744	791,779

Acadia Sugar

Acadia Sugar Refining Co. in 1936 showed a slight drop in earnings, but a strengthening of balance sheet position through retirement of secondary bonds. Revenue for the year totalled $401,973, as against $550,028 in 1935. While there was a drop in the amount available for dividends, the balance was sufficient to cover preferred dividends and 2% on the common. Arrears of dividends on the preferred had been cleared up by midyear and the payment on the common was the first authorized by the board.

The balance sheet shows working capital well maintained. The old 6% first mortgage bonds were redeemed on Jan. 1, 1936 and the 7% general mortgage bonds on July 1. Funded debt outstanding now amount to $1,470,000 of 4½% bonds.

Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Net earnings	401,973	550,028
Less: Depreciation	168,161	204,801
Bond interest	63,000	107,594
Net profit	170,812	237,633
Less: Pfd. dividends	134,998	179,997
Com. dividends	29,999	......
Surplus	5,815	57,636
Previous surplus	388,163	503,721
Less: Bond cost w/o	......	173,194
Surplus forward	393,978	388,163

Working Capital

	1936	1935
	$	$
Current assets	1,134,751	1,434,098
Current liabilities	324,826	601,590
Working capital	809,925	832,508

Trinity Building

Trinity Building, Ltd., Montreal, received a tentative offer for its property of about $77,000 in 1936. As an appraisal showed the property to be worth $100,000, this offer was not considered.

W. W. McLaughlin, president, stated recently that there is little probability of the company being able to pay the installment of interest that falls due on June 1, 1938. A bondholders' meeting will likely be called toward the end of 1937 to take action on a proposal to prevent the company going into technical default. Bond interest is noncumulative up to Dec. 1, 1937.

The building was fully rented in Dec., 1936, and at some slight increase in rentals.

Statement of Operations
Years Ended Sept. 30

	1936	1935
	$	$
Rental revenue	13,657	13,513
Less: Exps., taxes & int.	11,214	11,528
Management exps.	1,272	1,555
Depreciation*	2,123	2,123
Net loss	952	1,693

*At 50% of regular rate.

Dunlop Tire

An operating profit is reported by Dunlop Tire & Rubber Goods Co. in 1936, compared with an operating loss in previous years. Sales of tires, mechanical rubber goods and Dunlopillo cellular cushions again increased.

Canadian Lastex Ltd. reports another year of satisfactory progress. It has liquidated all arrears of debenture interest and redeemed $50,000 of its debentures. This brings the amount of debentures held by Dunlop Tire down to $250,000.

Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Operating loss	*19,662	24,814
Add: Depreciation	160,432	181,759
Corporation tax	2,298	2,047
Less: Int. on secur.	34,512	43,974
Profit sale of securs.	......	12,058
Net loss	108,556	152,588
Add: Prev. deficit	1,159,511	1,006,923
Deficit forward	1,268,067	1,159,511

*Profit.

Working Capital

	1936	1935
	$	$
Current assets	1,917,047	1,532,165
Current liabilities	476,247	118,712
Working capital	1,440,800	1,413,453
Ratio	4.03—1	12.91—1

Dominion Foundries

Improvement in working capital and higher profits are reported by Dominion Foundries and Steel Ltd., Hamilton for 1936.

Preference dividends were earned more than four times. Earnings on the common stock were equivalent to $2.49 a share, compared with $1.25 a share in 1935. Per share earnings are calculated on 96,000 shares outstanding, after the four for one stock split last December. No common dividends were paid during the year.

During the year the company sold $600,000 of 4½% serial notes in order to provide funds for plant expansion.

Fixed assets, before depreciation, are up $471,320 to $6,404,827. Depreciation reserve stands at $2,854,861.

Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Net earnings	652,642	495,653
Less: Exec. salaries	57,360	53,777
Directors' fees	540	260
Depreciation	228,542	190,662
Income taxes	48,588	51,572
Note interest	2,293	......
Legal fees	4,000	6,750
Net profit	311,319	192,632
Less: Pref. divds.	72,000	72,000
Surplus for year	239,319	120,632
Add: Previous surplus	273,625	845,749
Res. acct. trans.	......	253,132
Less: Goodwill w/o	......	945,888
Balance forward	512,944	273,625

Working Capital

	1936	1935
	$	$
Current assets	1,344,191	914,984
Current liabilities	414,486	583,381
Working capital	929,705	331,603

N. B. Telephone

With an increase of approximately 10% in long distance toll traffic and net gain of around 175 in stations installed, New Brunswick Telephone Co. reports a gross revenue in 1936 of over $1.3 millions, an increase of about $47,000 over the previous year. Operating expenses accounted for part of the increase but net revenue of $316,069 was higher than in 1935. After all charges, the company was able to carry forward a surplus of $26,851 as against $20,023 the year before.

The balance sheet shows an increase of about $100,000 in plant account. Investments are up from $56,113 to $161,620.

Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Gross revenue	1,311,881	1,264,819
Less: Expenses	995,812	955,578
Net profit	316,069	309,241
Less: Dividends	289,218	289,218
Surplus	26,851	20,023
Previous surplus	73,034	56,050
Less: Tax adjustments	5,540	3,039
Surplus forward	94,345	73,034

Working Capital

	1936	1935
Current assets	430,797	442,519
Current liabilities	175,841	160,116
Working capital	254,956	282,403

B. F. Goodrich Rubber

B. F. Goodrich Rubber Co. of Canada, Kitchener, Ont., reports net profit of $18,697 for 1936, compared with $66,556 in 1935. J. D. Tew, president, states that according to the terms of the indenture covering the $1,048,600 of income bonds the earnings were insufficient to pay any interest on the bonds. Payment of 4¾% on the income bonds was made from 1935 earnings.

Mr. Tew says the reduction in profit was due principally to increases in costs of raw materials.

Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Trading profit	294,838	333,075
Interest income	5,118	6,917
	299,956	339,992
Less: Depreciation	193,936	196,217
Int. on loans	53,094	52,430
Int. on bonds	8,883	10,073
Income taxes	25,346	14,716
Net profit	18,697	66,556
Income bond int.	......	73,402
Surplus for year	18,697	*6,846
Prev. deficit	1,875,631	1,932,896
Less: Cap surplus	......	64,111
Deficit forward	1,856,934	1,875,631

Working Capital Position

	1936	1935
Current assets	2,104,222	2,224,274
Current liabilities	189,416	436,544
Working capital	1,914,806	1,787,730

Canada Paper

Canada Paper Co., subsidiary of Howard Smith Paper Mills, reports an operating profit in 1936 of $472,524 as against $338,085 in 1935. After providing for increased depreciation reserve and other senior charges, there was a net profit of $148,680, as compared with $83,024 in 1935.

Accounts receivable are higher, while investment in subsidiaries increased to $60,370. Capital investment in plant increased during the year by about $325,000 to $5.5 millions. Among liabilities a bank loan of $46,000 was liquidated during the year, but was replaced by deferred bank loan of $145,000. However, advances from the parent company of $54,406 were eliminated. The latter was effected in part by an increase in the funded debt from $1.2 to $1.7 million.

Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Total income	472,897	338,790
Less: Depreciation	223,103	168,540
Bond interest	68,120	72,246
Directors' fees	320	460
Tax provision	32,669	14,337
Surplus	148,680	83,024
Previous deficit	184,971	267,996
Deficit forward	36,291	184,971

Working Capital

	1936	1935
Current assets	1,154,020	1,081,828
Current liabilities	267,555	273,838
Working capital	886,465	807,990

F. N. Burt Co.

F. N. Burt Co. reports net profit available for the common stock equivalent to about $1.77 a share in 1936 compared with $1.92 a share in 1935. Excluding $29,573 from sale of assets in 1935, however, that year's earnings were about the same as in 1936.

S. J. Moore, president, gives a clue to the reason for reduced earnings in a comment that "new lines of products are being developed to replace the cigarette box business, formerly of large volume and which has been gradually supplanted by the paper wrapper." A new department has been established at Buffalo to manufacture lithographed folding cartons, requiring a substantial investment for machinery and equipment. Extraordinary expenses of $31,676 on this account have been charged against "excess depreciation provided in prior years," rather than against 1936 earnings. This product has a substantial market, Mr. Moore states, but it will take time to build up a volume of profitable business.

Payment of the usual dividends of $2 a share resulted in a deficit for the year, and although there was a reduction of some $110,000 in net working capital, Mr. Moore comments that the company's financial position continues strong.

Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Net earnings	367,390	*401,556
Less: Depreciation	146,410	163,718
Federal taxes	26,700	26,500
Net profit	194,280	211,338
Less: Pref. divds.	4,116	4,118
Common divds.	215,296	215,296
Deficit for year	25,132	8,074
Prev. surplus	837,312	845,386
Surplus forward	812,180	837,312

*Includes $29,573 from sale of assets.

Working Capital Position

	1936	1935
Current assets	1,557,433	1,632,162
Current liabilities	196,977	161,564
Working capital	1,360,456	1,470,598

Howard Smith Paper

Reflecting a broad expansion in business, Howard Smith Paper Mills' financial statement for 1936 shows a total income of about $2.2 millions as against $1.9 millions in the year previous. After providing for an increase in depreciation reserve and taxes net profit available for dividends on the capital stock totalled $667,087 as against $461,925 in the year previous. Taking into consideration the increase in capital stock following upon the recapitalization, net earnings available on the common amounted to 77 cents a share, against 83 cents a share the year before.

The balance sheet shows a further gain in working capital. Effect is given to the refunding operations completed last fall, bonded debt now totalling $8 millions as against over $8.7 millions the year before. Minority stock outstanding was reduced to less than $1.2 million but there was an increase in minority equity from $300,106 to $576,092. Preferred stock outstanding, consequent upon the liquidation of arrears, increased during the year from $4.5 millions to $6,250,087. At the same time, there was a gain in the outstanding common shares from $220,000 to $274,648.

Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Total revenue	2,192,311	1,889,847
Less: Directors' fees	2,110	2,110
Mortgage interest	2,493	3,645
Bond interest	448,399	495,893
Premium on bonds	12,312	2,685
Depreciation	909,607	842,569
Refunding expense	2,237	......
Misc. expenses	8,867	......
Tax provision	139,013	90,112
Sub. dividends	182	896
Net profit	667,087	451,925
Preferred dividend	277,824	......
Surplus	389,262	451,925
Previous surplus	889,769*	1,666,658
Minority interest	80,236	38,067
Surplus forward	1,198,795	2,156,650

* After adjustments totalling $1,279,380, made up of $335,772, adjustments affecting capital surplus arising chiefly from the amount written off the parent company's investments in subsidiary companies consolidated, plus $697,500, settlement of arrears of preferred dividends, plus $246,108, adjustment due to provision for dividends on preferred shares of subsidiary companies to extent earned, or surplus available less minority shareholders' equity acquired due to purchase of additional shares by parent company.

Working Capital

	1936	1935
	$	$
Current assets	3,503,338	3,049,302
Current liabilities	965,728	730,937
Working assets	2,537,610	2,316,365

Regent Knitting

Regent Knitting Mills experienced a further expansion in operations and earnings during the past year, operating profit amounting to $228,276 as against $206,680 in 1935. After allowing for senior charges and a reduction of $37,709 in depreciation reserve, net profit available for dividends totalled $77,823, compared with $10,462 in the previous year.

The bank loan was reduced during the year from $157,500 to $140,000. There is also featured in the balance sheet an increase in inventories from $688,241 to $857,627.

Since the close of the fiscal year the company has redeemed its 6½% bonds through the sale of a new issue carrying a lower coupon.

Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Gross profit	497,271	457,156
Expenses	268,995	250,476
Operating profit	228,276	206,680
Bank interest	18,614	19,280
B.D. reserve	6,403	12,220
Other expenses	941	1,717
Amortization	1,119	1,248
Net earnings	201,197	172,215
Bond interest	23,373	24,042
Depreciation	100,000	137,700
Net profit	77,823	10,462
Previous balance	......	12,123
Balance	77,823	*1,661
Loss w/o	......	7,032
Bond red. premium	284	......
Capital profit	......	153
Tax provision	14,500	1,989
Add. taxes	419	......
Surplus forward	62,620	*10,530

*Deficit.

Working Capital Position

	1936	1935
	$	$
Current assets	1,095,792	972,516
Current liabilities	356,903	325,854
Working capital	738,889	646,662

Keefer Realty

Keefer Realty Co, Montreal, had a somewhat lower net income in 1936 than in 1935. Assessment of the property has been reduced $100,000 during the year which resulted in a saving in taxes of $1,619. Loan for payments of taxes has been reduced to $23,000 and is repayable $2,000 monthly.

Vacancies in the building continue to be higher than average, the building being 81% rented at present. The directors have for consideration four tentative cash offers for the property, which, if accepted, would return not less than 50% of their principal amount to bondholders in cash.

Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Revenue	70,283	76,967
Less: Oper. exps.	49,771	50,668
Other exps.	9,632	13,817
Net income	10,880	12,482
Less: Bond int.*	46,930	46,930
Net loss	36,050	34,448
Add: Prev. deficit	60,423	27,040
Less: Adjustments	125	1,065
Deficit forward	96,348	60,423

*Accrued but not paid.

London Realty Co.

London Realty Co., operating the Hotel London in London, Ont., reports a growth in operating revenue and net profit for 1936. Interest on first mortgage bonds was earned 1.29 times in 1936, after depreciation and bank interest, as compared with 1.01 times in 1935.

First mortgage bonds outstanding have been reduced to $1,123,600 but arrears of sinking fund still amount to $55,221. Interest has been paid in full.

Profit and Loss Account
Years Ended Dec. 31

	1936	1935
	$	$
Oper. receipts	425,972	399,348
Int. on co.'s bonds	1,494	1,761
Bank interest	......	41
Total income	427,466	401,150
Less: Oper. exps.	287,393	286,244
Depreciation	45,419	36,250
Income tax	3,623	......
Bond interest	73,462	77,558
Bank interest	158	189
Net profit	17,411	909
Less: Prev. deficit	96,653	97,562
Deficit forward	79,242	96,653

Working Capital

	1936	1935
	$	$
Current assets	35,082	21,969
Current liabilities	33,912	28,457
Working capital	1,170	*6,488
Ratio	1.03—1	0.77—1

*Excess of current liabilities over current assets.

Cooksville Co.

Operating profits of the Cooksville Co. for 1936 were the best experienced since 1931. After providing for senior charges, including interest on loans, the balance was transferred to depreciation reserve. In the previous year there was a deficit of $19,350 after interest on loans.

There is no particular change in the financial position of the company and in commenting upon the outlook for the current year C. G. Greenshields, president, stated "while the construction industry still lags behind other branches of industrial activity in Canada, the outlook for the current year shows real promise of definite improvement."

Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Operating profit	109,707	34,907
Less: Exec. salaries	5,770	5,520
Directors' fees	1,250	1,250
Legal fees	750	2,709
Net revenue	101,937	*25,428
Less: Loan interest	45,496	44,778
Depreciation	56,441	......
Surplus	......	*19,350
Previous surplus	246,825	266,175
Surplus forward	246,825	246,825

*Loss.

Working Capital

	1936	1935
Current assets	224,065	181,459
Current liabilities	805,247	803,757
Working capital	†581,182	†622,298

†Excess of liabilities.

Sugar Too High Says New Ass'n

Allege Freight Discrimination Against Toronto Refiner

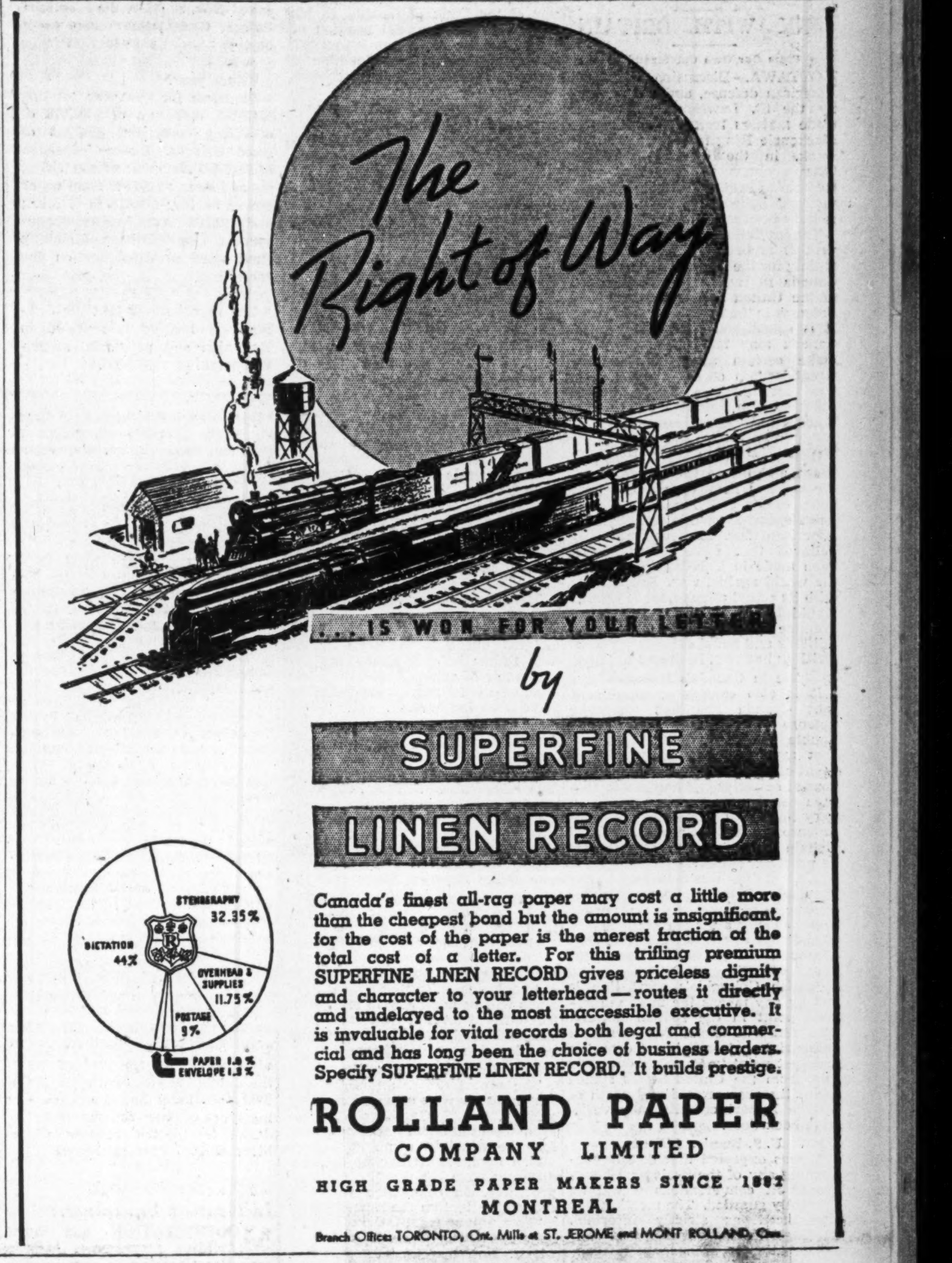
Claiming that present sugar prices are 50 cents per cwt. higher than they should be, a new organization calling itself the Canadian Sugar Consumer's Protective Union has set up headquarters in Toronto. Large commercial sugar consumers are said to be among the original members and domestic consumers are to be allowed to join without fee. Circulars are being sent out to thousands of users of sugar, directing attention to differences noted in sugar prices in various retail stores and to several increases put into effect by refiners without, it is stated, anything shown to justify them in the price of the raw material.

An effort will be made by the Union to have the excise tax of one cent a pound paid over as a subsidy to sugar beet growers. A protest will also be filed at Ottawa regarding alleged freight rates discrimination against a Toronto refinery.

Walter Martin, said to be well known in legal circles in Ontario and the Western Provinces, is secretary of the new organization.

Legislation Sought

Commerce Mutual Fire Insurance Co. has applied to the Quebec Legislature for an act which would bring it under the provisions of the Quebec Insurance Act in respect to fire insurance contracts issued under the mutual system.



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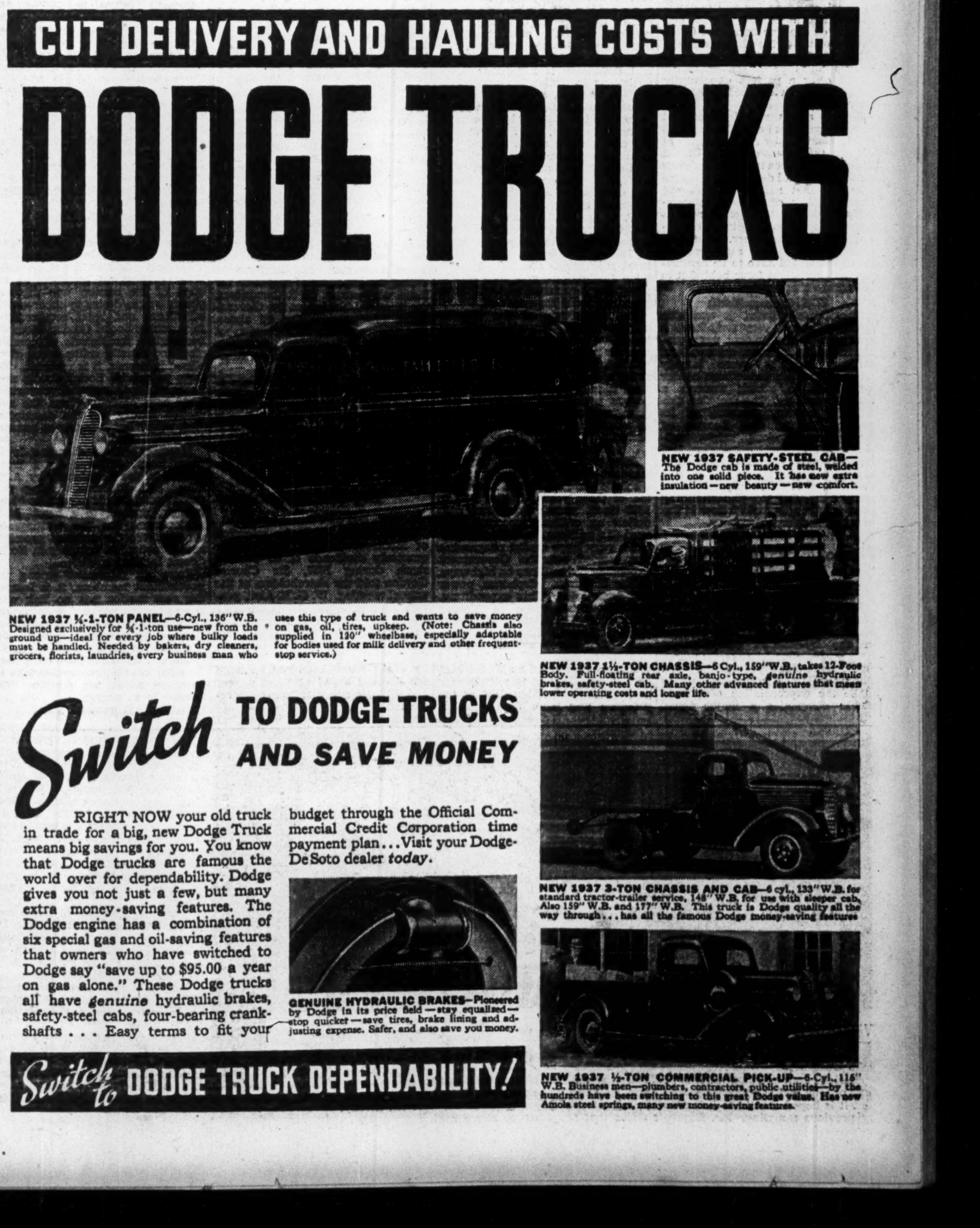
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LINK WITH BRITAIN

From Our Own Correspondent

OTTAWA.—Discussion of North American defense, and not primarily the St. Lawrence Seaway or trade matters took Prime Minister Mackenzie King to Washington last week, in the opinion of many Ottawa observers. The visit with Ontario's Premier immediately previous, is believed in some quarters to have been merely a smoke screen.

The invitation of President Roosevelt, it is believed, was extended mainly for the purpose of feeling out Canada in regard to co-ordination of the United States and Canadian defenses in the event of general war. It is considered possible also that Canada may have been asked to make certain approaches toward Great Britain on the same subject and that indeed, a general United States-British Empire defensive scheme may have been suggested.

Significant

It is considered significant that peace and international defense of the western hemisphere were keynotes of most of President Roosevelt's speeches on his recent South American tour. Roosevelt probably believes that some progress has been made in isolating this half of the world against war. But Canada with its actual attachment to Europe would be a big gap in this programme and one which American military and naval experts in recent writings have not hesitated to stress.

Tie in Canada's Defenses

It is also considered significant that Canada has just approved defense expenditures more than double those of recent years and that most of this money will be spent along the Pacific coast. Fixed coastal batteries and hangars in that area can hardly be construed as a very important part of any Empire defense scheme. As a matter of fact Britain largely gave up all attempts of practical sea defense there years ago. That duty was delegated to her then ally, Japan, under the Anglo-Japanese Alliance and was never resumed even after the Alliance was abandoned at the Washington conference a few years after the Great War.

British Columbia's coast line is not by any means the most vulnerable point in the British Empire. Far removed from this country's industrial centres it is not even the weakest point in Canada's defenses. But from the United States standpoint the area around and north of Prince Rupert constitutes a veritable back door.

U. S.-Empire Alliance

It was expected that details concerning any of the prolonged King-Roosevelt conversations would be carefully guarded. The meeting was announced as strictly informal. International defense is a most delicate matter to both countries concerned. Premier King is considered an ideal emissary for any negotiation between United States and Canada on the one hand and Great Britain or the British Empire on the other. The coming Coronation ceremonies in the United Kingdom would offer a perfect opportunity for laying any views before Empire statesmen.

So long as it was understood that names would not be disclosed it was freely admitted by many persons at Ottawa that eventually the United States and Canada must get together on this matter of defense. It was also admitted that neither Canada nor United States could hope successfully to defend themselves against a first class invasion without the cooperation of the other. Complete neutrality might be sufficient though it would have to be neutrality with sufficient force behind it to back it up if necessary.

U. S. Open on North

The United States, it was also admitted, might very well have a feeling that her present very considerable expenditures on naval and military account were largely wasted if her whole northern border was open to attack through a friendly country. The fact that this friendly country, because of its present Empire and League of Nations connections, might suddenly and without provocation find itself at war, admittedly further complicates the whole matter, and makes it even more imperative for some very definite understanding as to what steps would follow in the event of such an emergency.

Plan of Expropriation Denied by Duplessis

From Our Own Correspondent

MONTREAL.—Necessities of life come before electricity, Premier Maurice Duplessis told the electors in the by-election campaign at Beauceville. Speaking on behalf of an independent candidate, Dr. Philippe Hamel is endeavoring to make the expropriation of private power companies a major issue.

Sask. Taxing System Is Found Inadequate

Bank of Canada Report Critical of Past Policy

Finding the tax system of Saskatchewan both inadeqnate and inefficient, Graham F. Towers, governor of the Bank of Canada, in his report on the financial position of that province, recommends that the province should increase taxation in order to meet its ordinary requirements.

While suggesting that the province could obtain additional revenues by revision of its taxation system, Mr. Towers does not expect that the financial problem of the province can be entirely solved by this action. He suggests that this objective must await the outcome of a complete enquiry into the financial responsibilities of all governing bodies in Canada, which is to be made by a Royal Commission to be appointed by the Dominion Government. In the meantime, he says, the Dominion would be justified in extending temporary financial aid.

Taxes Too Low

In many of its aspects the report is similar to that made by the Jacoby Tax Commission two months ago. Both reports find the taxation system to be imperfect, and in some respects unsuitable to the Saskatchewan economic situation. Furthermore, present taxes are substantially lower than in either Manitoba or Alberta and if raised to the Manitoba level would enable the province to meet its current account deficit. Improvement in crop yields would also be necessary.

To a large extent, the report is less congratulatory than the one covering Manitoba's affairs. It is pointed out that the Government was rather belated in making adjustments of expenditures. In addition, efforts to increase expenditures have been halfhearted.

Expenditures Reduced

Since the 1932-33 fiscal year, however, the Government has made drastic reductions in expenditures. The retrenchment, in fact, has been carried as far as, and in some instances, farther than reasonable. Although slow in starting, the province has actually made greater cuts in ordinary expenditures than any other province, with the exception in some instances of Manitoba. Among specific instances mentioned are highway expenditures and salaries of school teachers.

The lack of adequate maintenance on the highway system had allowed it to deteriorate, so that much larger sums will be necessary to rebuild it. The current level of teachers' pay is distressingly low, and the standards of education must suffer.

Economy Is Peculiar

The report draws attention to a factor that is very often overlooked, namely, that Saskatchewan has an economy peculiar to itself and therefore the principles of public finance which apply to it may be entirely different from the practice in other provinces. In connection with the economic situation the report states:

"To a unique extent, the economic history of Saskatchewan is that of wheat. No other governmental unit in the world, attempting to maintain a modern civilization and standard of living, is so completely dependent upon the production and marketing of one commodity—a commodity which even under normal conditions is subject to wide variations in production and price. On the average, about 85% of the value of all net production in Saskatchewan is supplied by the agricultural industry, and about 80% of the cash income of the agricultural industry is derived from wheat."

Critical Predepression Policy

While Mr. Towers finds the financial position of the province was for the most part satisfactory up until 1929, he is critical of the failure of the Government to build up reserves during the prosperous years of 1925-1929 inclusive. An agricultural economy is always subject to wide fluctuations, and with this in mind the Government should have prepared itself for reverses.

The magnitude of the disaster during the 1930-37 period could not have been foreseen, but preparation for reverses on a smaller scale would have rendered the financial position of the province less acute than it is today. During the prosperous period the system of taxation in force gave negligible results in relation to the income of that period.

"Grossly Extravagant"

After prosperity waned, the Government made little attempt to find a solution to its problem for a period of three years. In the 1930 to 1932 fiscal years, the actual cash deficit on ordinary account averaged $3.9 millions. In the same period, a very large capital programme was carried out, the Government expending $30 millions on highways, public buildings, telephones, power and farm loans. This expenditure, Mr. Towers describes as "grossly extravagant." Relief expenditures totalled $13 millions and the Government incurred a $13.3 millions liability through implementation of the guarantee given on Wheat Pool borrowings. During this three-year period the outstanding debt of the province was more than doubled.

Due to exclusion of certain items which are properly chargeable to ordinary expenditures, the report shows that deficits in recent years have actually been higher than shown. The average annual deficit from 1933 to 1937 on ordinary account, which does not include relief costs, has been $3.2 millions.

Relief Costs $110 Millions

In no other province in the Dominion has the relief problem been as great as in Saskatchewan. In this connection the report points out that total relief expenditures to the end of 1936 were $110 millions, of which $5 millions has been raised by the municipalities, $5 millions under provincial guarantee, $13 millions by the province and $87 millions by the Dominion. Of the latter, $40 millions has been contributed outright.

Total relief expenditures since 1930 have exceeded total ordinary revenues in the same period. The province's share of relief, including its loans to municipalities, has exceeded the total expenditure on roads and bridges since the formation of the province.

Critical of Relief System

Doubt is expressed by Mr. Towers as to whether the existing system of relief in Saskatchewan is in the best interests of the province. A large portion of the expenditure has been devoted to an effort to keep the drought area in full production, and about $8 millions will be spent for this purpose this spring. In other words, the province is attempting to provide the prime costs of production for about half of its major industry.

In this connection, he has the following to say:

"In this case the province is in a dilemma, for although it cannot finance the agricultural industry, neither can it afford to miss the chance of one good crop through failure to seed. Undoubtedly, a good crop would repay the seeding advances many times over. The problem, however, is more than one of immediate finance.

"Several basic criticisms can be made of the present agricultural policy, as compared with one which would give the farmer only direct relief, or a limited maximum of supplies for subsistence farming. The amount of Government aid varies with the size of the farm, thus making it possible for one man to profit more substantially than another. Apart from such discrimination, the policy tends to penalize the farmer who invests his own money, while his neighbor uses Government funds.

"Such a system must tend to remove the incentive for thrift and motive for accumulating reserves, and to break down individual honesty. If the principle became established that the Government would assume the responsibility for providing the expenses of operation for those who cannot do it themselves, the financial burden on the Government, the potentialities of abuse, and the economic retrogression of supporting submarginal producers would all become serious considerations.

"The same criticism holds true of the blanket debt adjustments now being made, regardless of individual capacity to pay, and whether it is desirable to keep the more hopeless cases in operation on submarginal lands."

Manitoba Power Year Profitable

With a gross revenue of $966,150 and a profit of $47,328 in the year ended Nov. 30, 1936, the Manitoba Power Commission reports the best year in its history. Profits are $33,981 higher than in the previous year.

Expenses for the year totalled $918,821, made up of $408,278 of operating costs and $510,543 of fixed charges. Income consisted of $826,499 from sale of electricity, gas and steam; $106,970 from water power rentals; $29,513 in interest; and $3,166 from miscellaneous sources. Depreciation and sinking fund were provided for on the same basis as in the past four years.

The report shows that the commission's reserve is invested in Dominion and provincial securities totalling $1,472,000.

Montreal Cottons Shows Big Gain in Business

From Our Own Correspondent

MONTREAL.—It is the intention of Montreal Cottons, Ltd., to pay quarterly dividends of 50 cents a share during 1937, Sir Charles Gordon told the shareholders at the annual meeting. W. G. E. Aird, general manager, said the company's plants are operating at full capacity 24 days a day and 6 days a week. Sales so far in 1937 exceeded those for the same period last year by about $700,000. Orders on hand are $670,000 ahead of those a year ago. Officers and directors were re-elected.

Alberta Fails To Cut Taxes After Default

Higher Corporation Levies Provided For in Budget

BOOST REVENUES

From Our Own Correspondent

EDMONTON.—The Alberta Government has once again failed to reduce the burden of taxation, despite the fact that it has reduced bond interest by 50% and in 1937-38 is making no provision for sinking fund payments. Actually, taxation is to be increased. The higher levies, however, have not general application but are directed against Premier William Aberhart's "pet aversions," the banks, insurance companies, railways and corporations.

In presenting his first budget to the Legislature, Hon. Solon E. Low, provincial treasurer, forecast a surplus in the year ending March 31, 1938, of $1,965,570 on ordinary account. After capital and statutory requirements, however, an overall deficit of $1,227,815 is estimated.

Unemployment relief costs are included in current expenditures.

Public accounts tabled in the Legislature revealed a deficit of $1,939,595 in 1935-36. While estimated figures for the entire 12 months of the current fiscal year were not brought down, the budget showed a cash surplus of $271,920 for the 10 months ended Jan. 31 last.

Corporation Taxes Increased

Steep increases in corporation taxes will provide, it is estimated, a net increase in revenue in 1937-38 of $345,535, revenue being placed at $18,945,928. Expenditures are estimated at $16,980,356, a decrease of $1,585,813.

Corporation taxes are expected to yield an additional $559,157. The tax on banks is increased $133,000 by imposing a levy of one-tenth of 1% on paid-up capital. Railways will pay $118,000 more; insurance companies an additional $80,000, the tax on premiums being increased from 2% to 3%. The maximum corporation tax is increased from 40 to 50 cents per $1,000 of capital investment.

Alberta Group Out for Action

Social Credit Faction Wants Final Effort to Apply Doctrine

From Our Own Correspondent

EDMONTON. — Following Premier Aberhart's admission of failure to establish Social Credit—which confirmed a self-evident fact—a strong faction pressing for a constitutional demonstration of Social Credit in practice has taken shape within the Aberhart following.

This faction, its members say, do not want to depose Mr. Aberhart. They want action on Social Credit.

On the face of it, this development marks a final effort to try out Social Credit, after the administration's admission of failure. The new faction has few suggestions to offer, it appears, other than that an expert should be appointed, but members are hazy as to whom the expert should be, since Major Douglas once refused to come and is believed unwilling to come now. John Hargrave, ex-adviser of Aberhart's planning committee, is also unlikely to return.

Cuts Across Lines

The new faction apparently cuts across the lines of factions previously existing in the Aberhart following. A feature of speeches from government members at the start of the session was the emphasis on the desire to observe constitutional and legal requirements in pursuing Social Credit. Members responsible for threats of compulsion and drastic action were disciplined in caucus, it is reported. Efforts to exhibit Social Credit as a peaceful, constitutional proposition have been obvious. Thus, the new faction hardly fits the description "left wing," but it insists on remaining Social Credit.

Meetings of the faction in a downtown hotel, followed by a frank speech in the Legislature by A. L. Blue, S.C. Ribstone, urging that three Social Credit experts be hired, brought matters to a head. Main achievement for the "insurgents" was that the Government promised speedy action in bringing in Social Credit legislation.

From an informant among the government members, it is learned the new faction has no link with any ministers, nor any ex-ministers.

Meanwhile the People's League of Alberta has started its campaign for the defeat of Aberhart and his Social Crediters. Word has gone out among its members that an election may be expected within six months. The League is at present the strongest anti-Aberhart political group.

Progress Scant On Seaway Pact

From Our Own Correspondent

WASHINGTON. — President Roosevelt has stated that the proposed treaty with Canada in regard to the St. Lawrence Seaway is not as far advanced as anticipated and may not be prepared in time for submitting to the present Congress.

In any case the U. S. Department of State, both before and after Prime Minister Mackenzie King's recent visit here, seems to feel that an Anglo-American trade treaty is of greater importance.

Such a treaty, it is intimated officially, would definitely turn the world in favor of peace. It is believed that the Canadian Prime Minister was consulted in regard to the whole matter of future United States relations with the British Empire.

Chinese Growers Fight Market Act

But B. C. Government to Continue Control Legislation

Until the Natural Products Marketing Act is actually withdrawn from the statute books of the Dominion the British Columbia Government proposes to enforce it by complementary provincial legislation. Then, when it is withdrawn as is apparent from the recent adverse decisions of the Privy Council, Hon. K. C. MacDonald, B.C. minister of agriculture, proposes to adopt a similar provincial law.

Mr. MacDonald dismissed claims of the Chinese Farmer's Association that the present marketing act is unconstitutional.

"The courts have not said so," he said, "the Oriental wants to take the Vancouver market and leave the exports to the white grower. We will defend our B.C. Marketing Act all the way to the Privy Council," the minister added, "in the meantime we will continue to enforce it. If we, in British Columbia, can't make laws in respect to property and civil rights, who can? The time has come when all citizens must abide by the law of the country. There is no effort to discriminate against the Oriental grower but he must carry on his business within the law."

Inter-City Western Pays Interest Due Nov. 1, 1933

Another bond interest coupon will be paid by Inter-City Western Bakeries on April 1, 1937. Coupon No. 7, which became due Nov. 1, 1933, will be met. Payment will be made at offices of the Montreal Trust Co. in Montreal, Toronto or Winnipeg.

Inter-City Western Bakeries, a subsidiary of Lake of the Woods Milling Co., operates a chain of bakeries in Western Canada. The company was unable to pay its bond interest when due May 1, 1933, and this coupon was paid on May 1, 1936. The present payment will be the first since that date and will leave interest due May 1, 1934, and later in default.

Nova Scotia Has Surplus Of $151,718

Province Breaks Deficit Experience Lasting 13 Years

EXCLUDES RELIEF

In presenting his budget to the Nova Scotia Legislature, Premier Angus L. Macdonald announced that a 13-year-old jinx had been broken. The province had a surplus of $151,718 on ordinary account in the year ended Nov. 30, 1936. The last surplus on ordinary account reported by Nova Scotia was in the 1922-23 fiscal year when revenues exceeded expenditures by $109,000.

The surplus indicates marked improvement in the position of the province, since a deficit of $361,191 had been budgeted. An increase of $290,486 in revenue over estimates and expenditures which were $222,423 below the estimates, enabled the province to reverse expectations. The surplus of $151,718 compares with a deficit of $897,000 for the 14 months ended Nov. 30, 1935, or $769,000 for the 12-month period.

Comparative figures of revenue and expenditures are as follows:

Budget Experience

	1935-36	*1934-35
	$	$
Ordinary revenue ...	10,289,368	10,640,860
Ordinary expend.	10,137,650	11,538,575
Surplus	151,718	▲897,715

*14 Months ended Nov. 30, 1935.
▲Deficit.

Excludes Relief Costs

Expenditures on ordinary account did not include unemployment relief costs, these being capitalized. Total expenditures for the year were $7.6 millions. Included in this total was $175,142 for unemployment relief grants and direct relief and $1,056,730 for unemployment relief works. Thus the province had a deficit after providing for direct relief and contributions to municipal public works. In the 14 months ended Nov. 30, 1935, direct relief and contributions to municipal works cost $438,074 and provincial unemployment works $796,484.

Net funded debt increased during the year by approximately $1 million to $85 millions. At the same time unfunded debt increased, current liabilities increasing from $1.8 million to $3.2 millions. The bank overdraft increased by $1.3 million.

For the year ending Nov. 30 next the Government has budgeted for increase of $500,000 in expenditures and a surplus of $104,000.

Premier Trust Plans Expansion

Shareholders of The Premier Trust Co. are meeting on Mar. 27, 1937, to vote on a proposal to increase the company's capital stock from $1 million to $3 millions.

The company has been steadily increasing its subscribed capital over the past few years. The number of shares subscribed was 6,309 at the end of 1934, 6,585 at the end of 1935 and 7,652 at the end of 1936. Of the stock subscribed at the end of 1936, 5,585 shares were fully paid and 2,067 shares partly paid.

Toronto Sets High Tax Rate

Relief Debt Charges, Salary Increases Are Factors

The City of Toronto's tax rate for 1937 has been struck at 35.7 mills, the highest in its history. The rate was 34.85 mills in 1936. The rate for separate school supporters is 39.6 mills.

During the early stages of budget preparation there was an attempt on the part of the city to blame the prospective increase in taxation on the action of the Hepburn Government in retaining provincial income receipts, instead of making a rebate to the city as in 1937. As a result of the Government's action in assuming the municipal share of mothers' allowances and old-age pensions and granting the city a subsidy of one mill on its rateable assessment, the loss of the income tax revenue is more than offset.

It is obvious, therefore, that the higher tax rate is due to failure of the city to curtail expenditures. Ordinary maintenance expenditures of the city and the board of education are up $860,000 due principally to restoration of full salary and wage levels of all employees. The policy of funding relief costs during the past few years is also adding to the tax burden, the increase in relief debt charges in 1937 over last year being $688,700.

Favorable and unfavorable factors affecting the tax rate are as follows:

Items Decreasing Tax Rate

Surplus brought forward	$302,600
Sundry revenue increases	86,200
Saving in harbor debt chgs.	183,000
Reduced interest, exchange	128,000
Ontario Govt. subsidy	902,700
Pensions and allowances paid by province	541,750
	$2,146,250

Items Increasing Tax Rate

Higher relief debt chgs.	$688,700
Increased maintenance	860,000
Loss of income tax	1,187,700
Loss due to lower assessment ..	195,000
	$2,931,400

Total expenditures for the year are estimated at $40,787,099, which is an increase of $632,333 over 1936.

The city's share of relief costs in 1937 is estimated at $2.7 millions, compared with $3.1 millions in 1936. Of this amount the city intends to pay $993,000 out of current revenue and to fund $1.7 million.

Expenditure To Increase In Manitoba

Estimates Tabled in House $500,000 Above Last Year

RELIEF EXCLUDED

The Manitoba Government plans to increase its expenditures in the year ending April 30, 1938, by approximately half a million dollars. Hon. Stuart Garson, provincial treasurer, revealed in tabling his estimates in the Legislature. Total expenditures for the year are estimated at $14,564,148.

Expenditures for the current fiscal year were estimated at $14,097,549, but it is expected that the actual total will be around $14,350,000. As in other years, relief costs are not included since these are financed by borrowing.

Increases, which the Legislature is being asked to approve, are for social services, hospitals, school grants, aids to municipalities, highway maintenance and department of natural resources services.

Debt Charges Lower

Public debt charges are $182,534 lower than in the current year, being estimated at $5,896,657.

While the province hopes to balance its budget this can only be done through the temporary assistance which the Government expects to receive from Ottawa.

In justification of the increased expenditures the Government states that cuts in ordinary expenditures have been unduly severe, depriving the province of essential services. In this connection the provincial treasurer cited the Bank of Canada report which stated that the province had been operating under "a starved budget."

B.C. May Acquire Trade Minister

Premier Pattullo Has Plan to Boost Business

From Our Own Correspondent

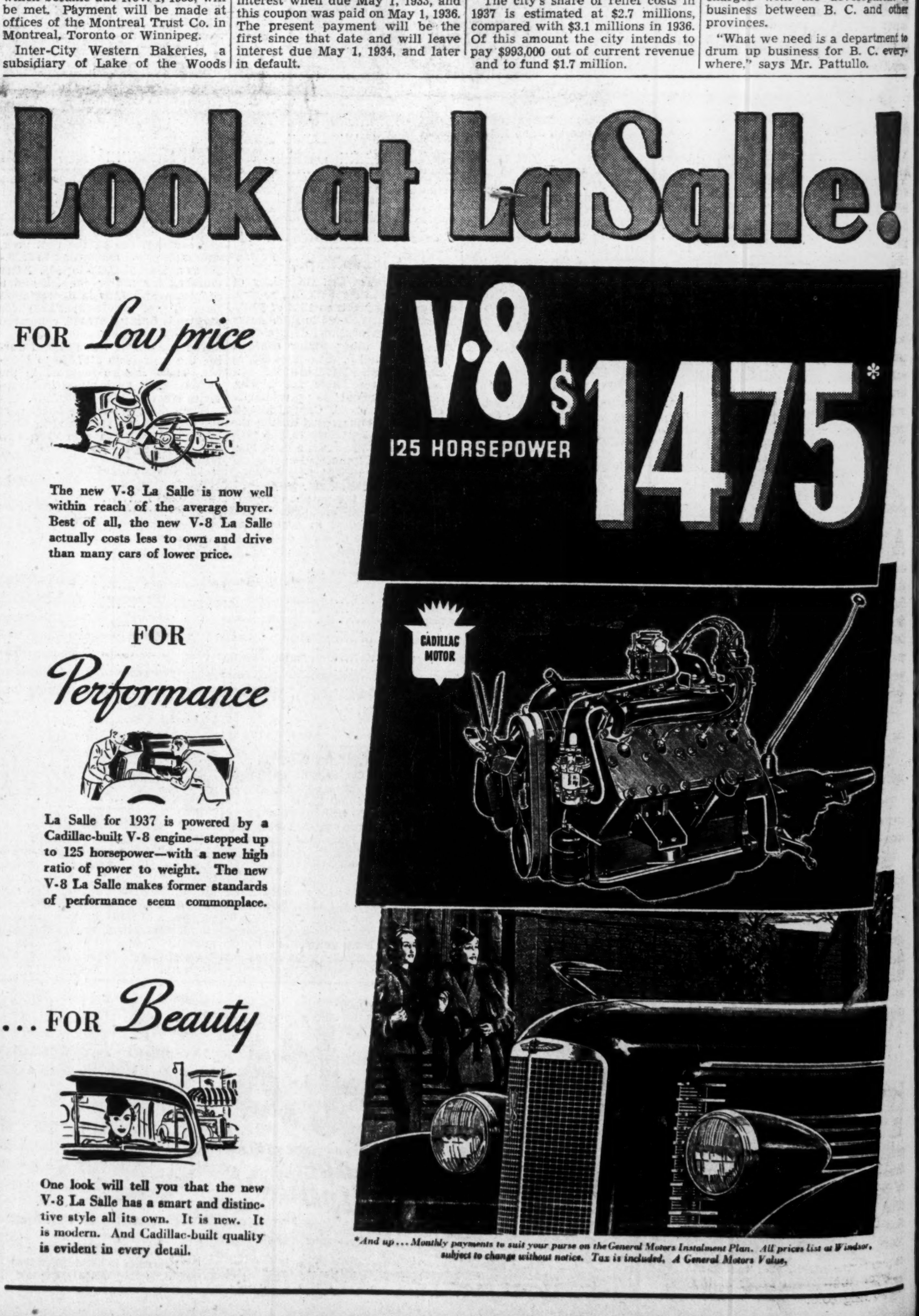
VANCOUVER. — Convinced of the necessity of maintaining foreign trade in a province so dependent on sales of primary products such as lumber, newsprint, pulp, canned salmon and fruit, Premier T. D. Pattullo plans to add a minister of trade and commerce to his Cabinet.

However, the addition will not be made until after the election, assuming, of course, that the Pattullo Government is returned to office. The new portfolio will also be charged with the development of business between B. C. and other provinces.

"What we need is a department to drum up business for B. C. everywhere," says Mr. Pattullo.

NEW NOVA SCOTIA PRODUCER

Seal Harbor Gold Mines, at Goldboro, N.S., is that province's latest gold producer. This property's new 200-ton mill has now been in steady operation about two months. Mill feed is now reported to be running about $4.85 per ton, but in a recent report, Charles Baycroft, mine manager, states that it is hoped shortly to bring the grade up to the $6 per ton indicated by previous sampling. Mr. Baycroft states that ore reserves above the 300-ft. level are sufficient to supply the present 200-ton rate for more than two years. All expenditures, including development costs, mining and milling costs, taxes, insurance, etc., and ordinary capital expenditures have averaged $2.65 per ton, and are expected to be decreased to about $2.50 per ton shortly.



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THE FINANCIAL POST

SECOND SECTION

Vol. XXXI · Member of Audit Bureau of Circulations · PUBLICATION OFFICE: TORONTO, MARCH 20, 1937 · 10c a Copy; $5.00 a Year · No. 12

Toronto Stock Exchange in New Home

Palatial Building Erected at Cost of Some $750,000 Opens Ceremonially on March 20; Unusual Interior Design and Decorations Create Show Place of Modernity and Brightness

OPENING on March 20 of the new building of The Toronto Stock Exchange is a landmark in the economic history of Canada.

The event occurs 25 years after the laying of the corner stone of the old building which has been replaced by the new. The new structure signifies the growth of Canadian finance and investment which has accompanied the great expansion of national wealth and income in the past quarter-century, and an increase in population from 7.5 million to over 11 million Canadians.

In the 25 years, Canadian mineral production has risen from slightly over $100 millions to nearly $400 millions, reflecting the natural expansion of mining investment through stock exchange trading facilities.

Manufacturing production has grown from about $560 millions 25 years ago to nearly $1,500 millions at present, and this too is reflected in stock exchange listings of securities.

Water power securities have expanded immensely in importance on the stock exchange in these 25 years with the growth of installed capacity from less than 1.4 million horsepower to over 8 million horsepower.

The rise of Canadian finance, typified in the new stock exchange structure, is evident in bank deposits alone which have increased from $980 millions to nearly $2,600 millions in the past quarter-century.

Even in its design and construction, the new building must be regarded as significant of 25 years of economic expansion in Canada, reflected in the detail of the structure itself.

* * *

Market Place

MAINLY, the new Toronto Stock Exchange building is a market place with the most modern mechanical equipment for buying and selling securities. But for casual visitors it is also a showplace with a series of structural and mechanical wonders to behold. In round figures it cost $750,000.

The structure faces east. The front of the building, known architecturally as the facade, has been kept to a minimum thickness, to give as much space as possible within for the vast trading floor. This has meant elimination of the usual huge pillars, heavy ornamentation and the like, frequently characterizing such structures.

* * *

Modern Lines

A GENERAL effect of soft color and simplified modern lines is given by the exterior. Pink granite, highly polished at the base, forms the ground floor facing. Buff limestone is used from the granite facing to the top of the building. The only decorative carving is a band of stone engraving, showing a procession of industrial workers which can be seen from street level.

The eye-opening features of the building, however, are inside.

There is a restaurant, and also a private dining room for members.

There is a lounge for members, and for their employees a comfortable reading room.

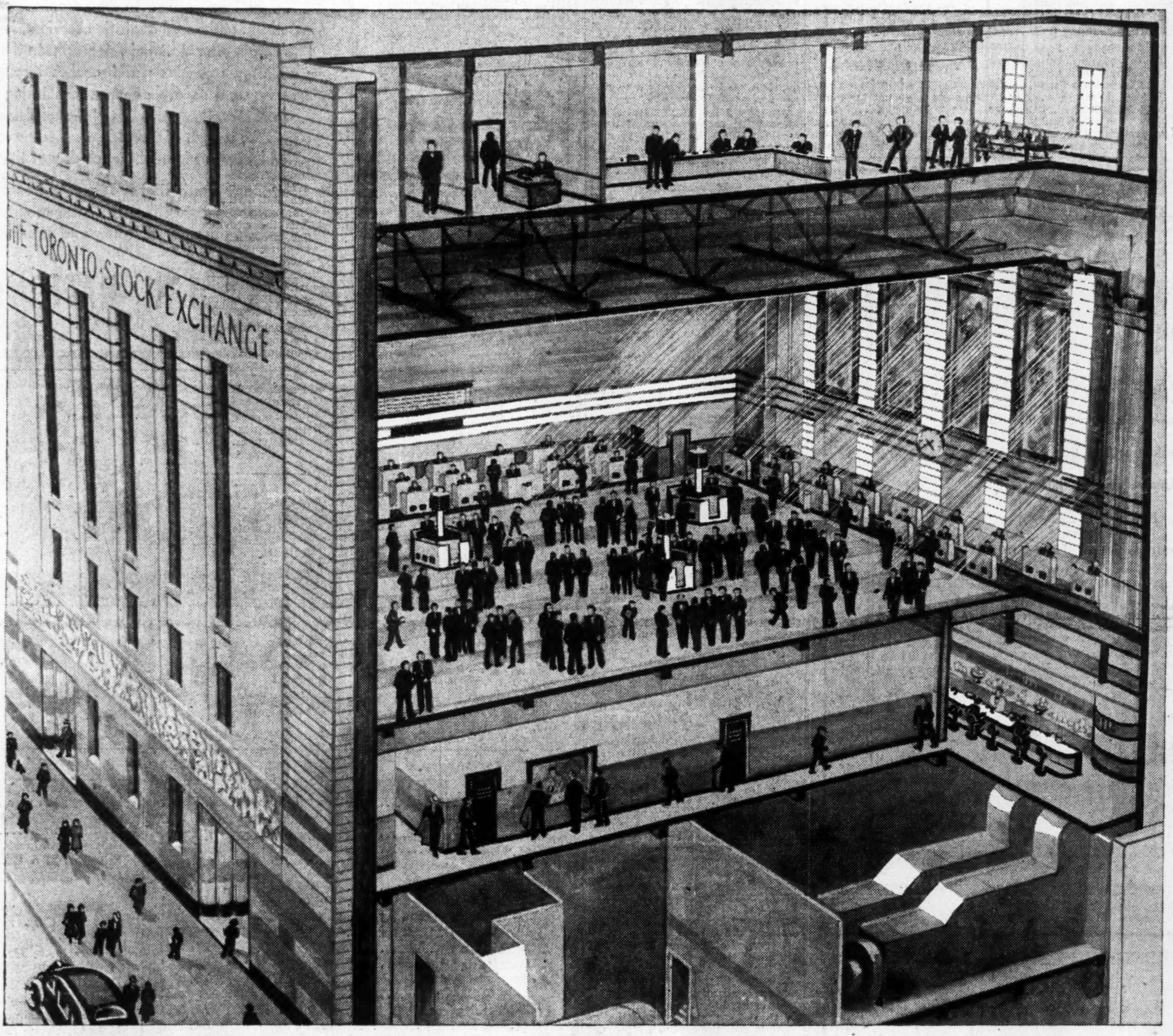
There are period rooms for the president and for the meetings of the managing committee.

There is, more striking than anything else, the trading room, with maximum measurements of 105 x 90 feet, and extending 39 feet from floor to ceiling, about equal to the height of four stories of an ordinary building.

* * *

Lounges, Dining Room

ENTERING the building through stainless steel vestibule doors, glazed with plate glass, the visitor may proceed through the ground floor level, only part of which is shown in the accompanying illustration. Not shown here on the ground floor, the members' lounge and dining room, and small reading room are striking for their modern treatment, and the pervading color tones of light buff.



NEW BUILDING IN OPERATION

This projection of the new Toronto Stock Exchange building from the northeast depicts the structure with the north wall removed to show the interior space arrangement. In the portion of the basement shown are the boiler room, left, and at the right the air-conditioning equipment which operates on interlocking control with the steamheating system. Next above is shown the ground floor with cloakrooms and washrooms, the restaurant at the right. The restaurant extends across the whole west side of the building and is for the general use of employees of the exchange and member firms. The illustration does not show the members' dining room and lounge nor the reading room on the ground floor.

The projection shows three of the nine trading posts in the trading room and telephone desks ranged around the trading floor. Above the trading room is space for the trusses which support the huge ceiling and also the floor above. The space enclosing this important feature of the construction will not be noticeable even to those within the building. The topmost floor contains the executive offices.

The members' lounge is richly decorated with Australian walnut, lighter-toned maple trim, with oak parquet floor. It has a marble fireplace. The modernized design is carried in doors of birdseye maple with black wood inlays, and the furniture is in harmony, of maple with heavy blue leather upholstering.

The members' dining room is really square but the ceiling and floor effects have been developed as circles. The triple band effect shown on the exterior of the building is carried into this room with three bands of homespun woven fabric above the maple capping of the walls. A serving table of maple has been built around a central pillar and small side tables too, are of the light-toned maple. Also of maple is the furniture, like the lounge, heavily upholstered with blue leather.

Still on the ground floor. The restaurant is a color room. With its adjoining kitchen it stretches across the entire west end of the building, as indicated by the portion shown in the illustration. The floor is of soundless tiles with pleasantly blended colors. Walls are light in tone as elsewhere through the building. Above the wood capping of the walls are horizontal color bands. As well as tables, there is a lengthy "bar" backed with stainless steel, the counter topped in bright colors with upholstered stools in black and white.

Near the restaurant is the small reading room for clerks and delegate traders, known technically as attorneys. Maple is used here for chairs, tables and bookcases.

* * *

Sixteen Bungalows

THE second floor is really about four stories in height and consists largely of one room, if the huge trading pit can be so described. This "room" would accommodate about 16 ordinary six-roomed bungalows with ease. It will become well known, as spectators can obtain an excellent view from the visitors' gallery.

Brightness is dominant in this huge trading room. The windows are columns of opal glass rising the full height of the walls, and continuing across the ceiling. The lighting is principally from the wall windows, but the direct overhead lighting and flood lights a-top the trading posts give a gentle glow to the whole room. The effect of light is magnified by the light buff walls of acoustone tile which deadens sound, and the natural color of the cork-slabbed floor.

* * *

Murals Are Feature

EIGHT murals depicting major industries, designed and executed by Charles Comfort, A.R.C.A., decorate the east and west walls of the trading floor. Sixteen feet high and four feet wide, they are mounted on the walls between the windows. The subjects are:

1. Transportation and Communication. This panel depicts railroad, steamship, highway, radio, telegraph and cable.

2. Mining. Showing the headframe of a mine. This panel pictures also underground operations.

3. Smelting. Symbolic of all smelting processes, the highlight of this panel is the vivid color of molten matte.

4. Pulp and Paper. In this depiction, the artist visualizes the paper-making process from the virgin forest to the street news stand.

5. Refining. In this representation, the climax is effected by depicting a rainbow, with the pot of gold as a crucible.

6. Agriculture. A sequence is shown from the dropping of seed in the earth to marketing of food products.

7. Oil. In this panel the process illustrated is from the well through refining into the automobile tank.

8. Engineering and Construction. This depicts the basic instruments and forms of construction and engineering work.

* * *

Trading Room

ABOVE the trading room is space for the trusses from which the huge ceiling is suspended and which support the top floor on which are located the Exchange offices. On this top floor are the president's office, finished in Queen Anne style, and the managing committees room with Georgian decoration. Both rooms are panelled in oak. They are furnished in period designed walnut upholstered with ivory cream leather.

And so to the very top of the building which has been constructed so as to be capable of carrying two additional floors above the present roof if they become necessary.

* * *

Air-conditioning

THE basement houses boiler units for heating and air-conditioning equipment. The steam boilers are operated from automatic oil burners. The heating system interlocks with the air-conditioning control.

There is an individual adjustable thermostat in each room. In summer, the air-conditioning control will raise the temperature automatically inside the building in the ratio 2/5 as the outside temperature rises above 70 degrees. When it is 100 outside, the inside temperature would be about 88.

There are four separate air-conditioning systems. One for the basement, another for the first floor rooms, a third for the trading room, and the fourth for the upper floor offices. Air is withdrawn from all rooms and discharged outside the building, being replaced by fresh air drawn through the air-conditioning equipment.

There are two elevators. The passenger elevator near the entrance has been cut away in the accompanying illustration so the interior of the building might be depicted. Provision has been made to accommodate a second passenger elevator which will not be installed for the present.

Freight elevator operates at the back of the building in the shaft shown at the extreme right of the accompanying illustration.

The main staircase which leads from the south entrance hall to the trading floor level has a balustrade of stainless steel with black wood handrails and terminates at the foot of the stairs in a spiral, with a cast glass newel post. Halfway up the middle flight of stairs is a cast glass disc, modelled in very low relief, depicting a figure sowing grain with a background of standing corn, symbolizing investment and development. The upper part of the staircase, on the second floor, is completed with a large glass. Bands of concealed light illuminate the ceiling where it is met by the staircase walls. Silverleaf pyramidical decorations on the staircase ceiling contribute to the illuminating effect.

* * *

Unity of Design

THROUGHOUT the building the dominant features are the light colorings, bright but not glaring illumination, unity of decorative designs, and the general atmosphere of modernity, speed and efficiency, accompanied by an aura of comfort and well being.

Numerous architectural problems arose from the shape of the lot on which the building is erected and the peculiar space requirements for the interior.

The huge space required for the trading floor, for instance, made it necessary for it to be located above the street level, where some space must be used for entrances, vestibules and stairways. By locating the trading room above the street floor, the greatest possible floor space is utilized.

* * *

Architectural Illusion

THE maximum floor measurements of 105 x 90 feet and the ceiling of 39 feet represented proportions that were not pleasing. The upper part of the room appeared too wide and box-like.

Curtain walls were suspended on each side, forming alcoves above the telephone desks. Also, the lines of gallery projections were carried upward and used to form bays on the ceiling. By this means a main ceiling was produced with a field of 55 x 105 feet. The effect was to rearrange the ceiling to an area approximating two squares in a room whose full floor plan is really one square. To the eye, the effect is to lengthen the room.

Acoustone tile is used throughout the walls and ceiling of the trading room. This tends to deaden the sound which arises from verbal dealings on the floor and the clicking sound from the mechanisms of the trading posts.

The dominance of maple for furniture throughout the building is continued in the trading room. The telephone desks are of maple with black inlaid bands and the trading posts are designed similarly. The triple band theme of decoration which appears at the top of the windows on the exterior of the building is thus carried through most of the interior decorations.

'Phones Vital On Exchange

Ringing Eliminated by Signal Lights on New Exchange

Most orders on the Stock Exchange are handled by telephone.

The client phones his broker to ask for the current price. The broker finds out and takes his client's order by telephone. He telephones it to the Stock Exchange. When the order is filled, the message is telephoned back to the office. The broker, in turn, telephones his client to tell him the good or bad news as the case may be.

In the new Toronto Stock Exchange building, there is over 140 miles of telephone wire, and stock brokers in Toronto alone use another 2,000 miles of wire.

Links With Floor

Members of the Exchange have direct order wires from their offices to the order desks on the new trading floor.

There will be no telephone bells ringing on the trading floor of the new Exchange. When the receiver is lifted in the broker's office, a signal light shines on the order desk at the floor of the Exchange. The clerk, if he is awake, will answer to the signal light.

In addition to the 250 order phones of member brokers trading on the Exchange, the Stock Exchange has an extensive telephone service of its own. It consists of a multiple switchboard with 37 extensions to telephones in the building. There are 19 telephones for the use of members, in the lounge room, anterooms, in booths on the main floor at the entrances to the trading floor, and on desks at the east side of the trading floor.

Exchange Dinner To Be Big Event

The number of guests who will attend the dinner being given on March 20 by the Toronto Stock Exchange in celebration of the opening of the new building will be limited by the capacity of the banquet halls of the C. P. R.'s Royal York Hotel. Accommodation can be provided for about 800, and about four times that number would like to attend.

Charles R. Gay, president of the New York Stock Exchange, will deliver the principal address. The guests, in addition to members of the exchange, will include representatives of banks, life insurance and trust companies, newspapers, and officials from leading stock exchanges from coast to coast in Canada and the United States.

Merger of Two Markets Completed on Feb. 5, 1934

The merger of the two predecessor security markets into the present Toronto Stock Exchange occurred on Feb. 5, 1934. By this amalgamation the interests of the former Toronto Stock Exchange and the Standard Stock and Mining Exchange were combined.

The old building was not sufficiently spacious to house the volume of both industrial and mining trading of the merged exchanges. Pending completion of the new building, trading in mining shares was conducted at 33 Temperance Street. Trading in industrial shares was transferred to 21 Richmond St. W., while the old Stock Exchange Building was being demolished to make way for the present new structure.

Toronto Stock Mart Now 85 Years Old

Grew from Association of Brokers Started in 1852 — History Shows Expansion Despite Wars and Depressions

The Toronto Stock Exchange had its origin in the formation of an "Association of Brokers" in 1852. It is therefore 85 years old.

The founders do not appear to have regarded themselves as makers of Canadian financial history. At least, complete historical records are not available.

The self-effacing group of founders, however, have left an important historical document in the form of their first resolution, to wit:

> "That in consequence of the low rate of interest obtained in the London market, capitalists must be induced to turn their attention to Canada and it is therefore desirable to fix that attention more firmly upon the advantages of Canadian securities generally. Resolved, that Toronto being the most central part of attraction to capitalists seeking investments in Canada, this city is deemed in every respect the most convenient locality in which to establish an Association of Brokers. In doing so we consider we are discharging an important duty to Canada by the establishment of this Association and are helping to promote and extend the general business of the country through the greater circulation of credit."

Twelve Members

There were 12 original members, but the names have not been preserved. They held half-hour trading sessions daily, conducted in rotation in the offices of the various members. Little more is known about those early dealings because records have been lost.

In 1861 there was a reorganization. Herbert Mortimer was elected president, and an official list of authorized stocks was distributed each week to newspapers. There were 36 issues on the list, mostly bank shares, but including Hudson's Bay Co. stock. Some records indicate depression of stock prices on the Exchange in 1870, reflecting the Franco-Prussian War. In a modern rush of selling, the ticker falls a few minutes behind the market, in those days, quotations were delivered by messenger.

The Toronto Stock Exchange was granted "The right of constitution of a body politic and corporate by a special act of Parliament passed in 1878." To this day, the Exchange retains this authority to maintain a free market for securities.

Expansion, Depression, Recovery

By 1881 New York ticker quotation service had reached Toronto. But the quarters of the Exchange continued to be the private offices of different members. The market became more important with the opening of transatlantic cables in 1886, linking the Toronto Exchange with the great financial centres abroad. This development appears to have been one of the direct causes for establishment of permanent quarters in 1887. The membership fee was then $5 annually, and the charge for a listing was $10. Some idea of the relative value of these fees can be gained from records which show that skilled labor was then satisfied with wages of about $1 a day.

The available records stress intermittent periods of depressed prices in Toronto stock trading before the turn of the century. By inference it seems there were intervening periods of rising prices. In the 1890's there was severe depression, the year 1893 was relatively as bad as the year 1932. Bankruptcies, receiverships and other financial disorders became rife in the United States, causing depression in Stock Exchange prices in Toronto. The Exchange and its members got through the depressed 90's just as they passed through the hard times of the early 1930's.

By 1900 there was a clearing house system for stocks, similar in principal to the complex present-day clearing house. The Exchange was located in quarters on King Street, and its importance grew rapidly with the great expansion of the Dominion in the first decade of this century. By 1910 the volume of business had grown so as to necessitate purchase of land for larger quarters on Bay Street. An imposing building was planned and the cornerstone laid in 1912. The Toronto Stock Exchange was housed in this building until it was vacated and demolished to make way for the present new structure. The site is the same, except for the addition of a strip of about 20 ft. of land to permit enlargement of the trading quarters.

Mining Exchange

One of the biggest events in the history of the Toronto Stock Exchange was the merger with the Standard Stock and Mining Exchange in 1934. The founding of the Standard arose from the Rossland mining boom in B. C. in the late 1890's. Active trading in B.C. mining shares began when the Toronto Stock & Mining Exchange was formed in 1897. It became associated with the Board of Trade and occupied quarters in the old Board of Trade Building at Front & Yonge Sts. Some stock brokers who were refused memberships started a market of their own, the Standard Stock and Mining Exchange Ltd. The mining markets amalgamated two years later, and the name Standard Stock and Mining Exchange was retained, omitting the "Limited."

The inevitable slump, bête noir of all financial history, came in 1901, and the Mining Exchange languished. One of the underlying causes was the realization of the huge outlays required to develop some of the B. C. mining properties. One of these is now the Sullivan Mine, the foundation of the great wealth of Consolidated Mining & Smelting Co.

Cobalt and Porcupine

The Cobalt silver area of northern Ontario was discovered in 1903, and the mining market soon came to life. In 1911 the famous Porcupine gold area was opened. It can be said that trading in shares of B. C. mines gave birth to the Toronto mining market. But the Mining Exchange grew to maturity under the stimulus of the Ontario silver and gold fields.

With development of new mining areas following the Great War, a mining boom developed in the 1920's. It was accompanied somewhat belatedly by a boom in Alberta oil shares. Meanwhile there was increasing speculative activity in industrial stocks on the older Toronto Stock Exchange.

Depression and Merger

Then came the great international collapse of 1929. Business waned on both the Toronto Stock Exchange and on the Standard Stock and Mining Exchange. Business as usual was the record of both Exchanges despite the disruptions. Both markets declined to close even when the London Stock Exchange suspended trading in 1931, following suspension of the gold standard by Great Britain. They did, however, "peg" prices of many stocks at nominal levels, and therefore were not entirely free markets. In 1933, both Toronto Exchanges remained open as entirely free markets when all U. S. Exchanges were forced to close because of the American banking crisis.

The great merger of the two markets came in 1934. Both the older Toronto Stock Exchange and the Standard Exchange had something to gain by the amalgamation. The older organization had valuable property and the more youthful Mining Exchange had a firm grip on a growing business in mining shares. The combination of interests led directly to the need for greatly expanded trading facilities, culminating in the new $750,000 building on the old Bay Street site.

61 Presidents Of Exchange

Names of the first officials of the Association of Brokers founded in 1852, which was the first Toronto Stock Exchange, have been lost.

From 1861, there have been 45 presidents of The Toronto Stock Exchange. There were also 16 presidents of the Standard Stock and Mining Exchange, excluding the period 1904-1907 when there is a break in the records.

The list of presidents since 1861, with present-day officials, follows:

Toronto Stock Exchange

1861-63	Herbert Mortimer
1863-64	William Alexander
1865	John C. Strikman
1866	Edmund Bradburn
1867	Herbert Mortimer
1868-70	H. L. Hime
1871-72	W. G. Cassels
1873-75	James Brown
1876-80	Henry Pellatt, Sr.
1881	William Hope
1882-83	Robert Beatty
1884	H. R. Forbes
1885	John Stark
1886	W. J. Bains
1887	H. C. Hammond
1888-89	H. L. Hime
1890-91	W. G. Cassels
1892	C. S. Gzowski
1893-94	John Stark
1895	J. W. Beatty
1896-97	A. E. Ames
1898-99	G. T. Fergusson
1900-01	J. L. Campbell
1902-03	R. H. Smith
1904-05	R. H. Temple
1906-07	A. P. Burritt
1908-09	J. O. Buchanan
1910-11	W. H. Brouse
1912-13	F. Gordon Osler
1914	E. B. Freeland
1915-17	G. T. Fergusson
1917-19	R. H. Tudhope
1919-20	G. W. Blaikie
1920-22	E. Gordon Wills
1922-24	J. E. Fraser
1924	R. Cassels
1925-26	G. G. Mitchell
1927-28	A. Pardoe
1928-30	C. E. Abbs
1930-31	W. H. Mara
1931-33	G. G. Mitchell
1933	Harold Franks

Standard Stock and Mining Exchange

1900-01	E. Strachan Cox
1902-03	J. L. Mitchell
1904-07	Not available
1908	George Stevenson
1909	W. Claude Fox
1910	J. M. Wallace
1911	J. L. Mitchell
1912-13	J. A. McCausland
1914-15	D. G. Lorsch
1916-17	J. T. Eastwood
1918-19	L. J. West
1920	P. W. Coshman
1920-22	J. P. Cannon
1923-24	F. Asa Hall
1925	P. G. Kiely
1926-27	F. J. Crawford
1928-29	N. C. Urquhart
1930-31	F. J. Crawford
1932-33	G. W. Nicholson
1933	G. W. Nicholson

Merged Toronto and Standard Exchanges

1934-35	Harold Franks
1935-36	G. W. Nicholson
1936-37	H. B. Housser

Members of 1936-37 Executive

Vice-president—N. C. Urquhart
Secretary—F. G. Lawson
Treasurer—Hon. Manning Doherty
Managing Committee: G. R. Bongard; F. J. Crawford; R. B. Duggan; G. W. Nicholson; T. A. Richardson; E. Gordon Wills.

Exchange Cornerstone Laid on Aug. 17, 1936

Cornerstone of the new Toronto Stock Exchange building was laid Aug. 17, 1936, by Hon. Dr. Herbert A. Bruce, Lieutenant-Governor of Ontario.

H. B. Housser, president, in the opening address declared that the Exchange would have physical and mechanical equipment equal to, if not superior to, any other in the world.

Wednesday the Thirteenth

On Wednesday, Nov. 13, 1935, members of the Toronto Stock Exchange, at a special general meeting, gave full approval to the proposal to erect the new building now being opened.

THE LAST WORD IN RAPID COMMUNICATION

When trading opens in the New Toronto Stock Exchange, on Tuesday, March 30th, the tens of thousands of quotations and transactions will be carried almost instantaneously from the Stock Exchange floor to hundreds of centres in two continents over the Canadian National Telegraphs and its allied systems. The equipment, which will handle this tremendous volume of business daily, is the last word in scientific development of rapid communication transmission.

The Canadian National Telegraphs is proud to announce that among the equipment of the New Stock Exchange is the dial ticker, which furnishes instantaneous quotations to brokers' offices from the floor of the Exchange. This machine is a development of Canadian National Telegraphs engineers and is unique among the stock exchange equipment the world over.

The service furnished to the Toronto Stock Exchange, including its ticker and bid and asked quotation services, is but one of the many offered by the Canadian National Telegraphs to the public at large. With its 20,000 affiliated agencies and branches throughout Canada and the United States, and its cable connections linking the world marts within a space of minutes, the Canadian National Telegraphs is admirably designed to give the people of Canada a speedy and reliable service of communication by day or by night, each day of the year.

The Canadian National Telegraphs takes this opportunity to extend its sincere congratulations to the members of the Toronto Stock Exchange upon the opening of its new and splendidly equipped headquarters.

CANADIAN NATIONAL TELEGRAPHS

T.178

To the TORONTO STOCK EXCHANGE on the occasion of the opening of its fine new building, The Royal Bank of Canada extends sincere congratulations. The story of the old Exchange is the story of Toronto's rise to greatness as an international trading and financial centre; the opening of the new, but another step in the assured progress of the Queen City.

THE ROYAL BANK OF CANADA

WE OFFER our congratulations to the Committee and Members of the Toronto Stock Exchange on the occasion of the official opening of their new building on Bay Street, Toronto, on March 20th, 1937.

TRANSFER AGENT — REGISTRAR — ESCROW AGENT — POOLING TRUSTEE DIVIDEND DISBURSING ....

CHARTERED TRUST and EXECUTOR COMPANY

TORONTO
34 KING ST. WEST

MONTREAL
132 ST. JAMES ST. WEST

ROLPH R. CORSON, President
JOHN J. GIBSON, Vice-President and General Manager

Member Firms of

THE TORONTO STOCK EXCHANGE

FIRM	ADDRESS	PHONE
Aird, MacLeod & Co.	Royal Bank Bldg.	AD. 9481
Ames, A. E. & Co.	Canada Perm. Bldg.	WA. 3611
Amos, Barber & Co.	38 King St. W.	EL. 3106
Angus & Co.	14 King St. E.	AD. 9212
Bain, Pooler & Co.	304 Bay St.	AD. 4271
Barrett, Sequin & Co.	330 Bay St.	WA. 7631
Biggar & Crawford	10 King St. E.	AD. 4361
Blackstock, G. G. & Co.	Can. Bk. Com. Bldg.	EL. 3285
Blaikie, Geo. W. & Co.	15 King St. W.	EL. 1403
Bongard & Company	80 King St. W.	EL. 5381
Bowcock, Hackett & Morgan	320 Bay St.	AD. 0323
Boys, T. Ross & Co.	Dominion Bk. Bldg.	WA. 4861
Bridger, Hevenor & Co	60 King St. W.	WA. 3461
Brouse, Mitchell & Co.	68 King St. W.	EL. 1112
Buchanan, Seagram & Co.	11 Jordan St.	EL. 3432
Burgess, Charles H. & Co.	Tor.Gen.Trusts Bldg.	EL. 8471
Burke, Dansereau & Co. Reg'd	222 Notre Dame St. W. Montreal	PL. 1434
Burns Bros. & Co.	255 Bay St.	AD. 9371
Cameron & Bunting	Royal Bank Bldg.	EL. 2493
Cameron, Pointon & Merritt	44 Adelaide St. W.	WA. 2961
Cannon, J. P. & Co.	Atlas Bldg.	AD. 2292
Cassels, Son & Co.	16 Jordan St.	EL. 2292
Chisholm, Hector M. & Co.	Atlas Building	EL. 5463
Collaton, C. J.	28 Strathearn Rd.	
Cochran, Murray & Hay	Dom. Bank Bldg.	AD. 9161
Colling & Colling	33 Temperance St.	WA. 4831
Coulter, C. I. & Co.	317 Bay St.	AD. 9461
Crang, J. H. & Co.	304 Bay St.	WA. 1621
Crawford, F. J. & Co.	11 Jordan St.	EL. 2201
Deacon, F. H. & Co.	197 Bay St.	EL. 3401
Dickson, Jolliffe & Co.	80 King St. W.	AD. 7451
Dobie, Draper & Co.	330 Bay St.	AD. 9171
Doherty, Roadhouse & Co.	293 Bay St.	WA. 7411
Duncanson, White & Co.	15 King St. W.	WA. 3401
Eastwood, J. T. & Co.	11 Jordan St.	AD. 0331
Ferguson, G. Tower & Co.	11 Jordan St.	AD. 7081
Fields, C. C. & Co.	200 Bay St.	WA. 4731
Fleming, Murray P.	2 Toronto St.	
Flood, Potter & Co.	200 Bay St.	WA. 2911
Francis, Jay L. & Co.	347 Bay St.	WA. 1821
Fraser, Dingman & Co.	217 Bay St.	EL. 3125
Gamble, R. C. & Co.	244 Bay St.	WA. 1091
Gardiner, Wardrop & Co.	226 Bay St.	WA. 7641
Gentles, C. A. & Co	347 Bay St.	AD. 4012
Goad, J. L. & Co.	Dom. Bank Bldg.	EL. 3481
Grasett, J. E. & Co.	302 Bay St	WA. 4781
Haig, Rennie & Co.	330 Bay St.	AD. 4981
Hambly, Peaker & Trent	Dom. Bank Bldg.	EL. 3294
Harcourt, Poupore & Co.	27 Melinda St.	EL. 1362
Harley, Easton, Fisher & McDonagh	170 Bay St.	WA. 4693
Harris, W. C. & Co.	255 Bay St.	EL. 4106
Hogg, W. F. & Co.	320 Bay St.	AD. 4171
Housser, H. B. & Co.	Royal Bank Bldg.	EL. 7193
Leslie, Frank S. & Co.	304 Bay St.	EL. 8401
Lorsch & Co.	371 Bay St.	EL. 5492
Macdonald, F. W. & Co.	80 King St. W.	AD. 3484
Macdonald, W. M. & Co.	Atlas Bldg.	WA. 3011
Mackellar, S. R. & Co.	21-3 Melinda St.	AD. 4911
Mara & McCarthy	Can. Perm. Bldg.	AD. 9151
Matthews & Company	80 King St. W.	EL. 5191
McLeod, Young & Scott	Metrop. Bldg.	AD. 4081
McMillan, Guest & Co.	Royal Bank Bldg.	EL. 6407
Melady, John & Co.	141 Broadway, New York	
Milner, Ross & Co.	330 Bay St.	WA. 1701
Mitchell, W. G. & Co.	15 King St. W.	EL. 5187
Mooney, J. R. & Co.	330 Bay St.	WA. 4841
Moss, Lawson & Co.	219 Bay St.	EL. 9281
Nicholson, G. W. & Co.	302 Bay St.	EL. 5317
O'Hearn, F. & Co.	11 King St. W.	WA. 7881
Osler, A. E. & Co.	11 Jordan St.	EL. 3461
Osler & Hammond	21 Jordan St.	EL. 1335
Oswald & Drinkwater	275 Notre Dame St. W. Montreal	HA. 6101
Pardoe, Avern & Co.	38 King St. W.	EL. 4256
Pierce, E. A. & Co.	199 Bay St.	AD. 8062
Playfair & Co.	200 Bay St.	AD. 6001
Plummer, H. L. & Co.	15 King St. W.	EL. 5156
Racine & Co.	Aldred Bldg., Montreal	BE. 1711
Rittenhouse, Hamilton & Co.	80 King St. W.	EL. 0247
Robertson, Duncan & Co.	320 Bay St.	EL. 4331
Scott, J. M. Jr. & Co.	Atlas Bldg.	WA. 3681
Seagram, Harris & Bricker	34 Adelaide St. W.	AD. 9041
Somerville, Geo. A.	80 King St. W.	EL. 2416
Stewart, McNair & Co.	Tor. Gen. Trusts Bldg.	EL. 0421
Stratton, Hopkins & Hutson	22 King St. W.	WA. 6090
Timmins, J. R. & Co.	347 Bay St.	AD. 8132
Urquhart, N. C. & Co.	15 King St. W.	AD. 6028
Watson, Wallace & Co.	302 Bay St.	WA. 3871
Watt & Watt	6-8 Jordan St.	AD. 7151
Watts, A. D. & Co.	330 Bay St.	WA. 4517
West, Louis J. & Co.	Atlas Building	WA. 7041
Williams, McLean & Bell	25 Richmond St. W.	AD. 4902
Wills, Bickle & Cayley	Can. Bank Com. Bldg.	WA. 4561
Wilson & Co.	302 Bay St.	WA. 2956

How the Stock Exchange Operates

Trading Posts Are Nerve Centres of Market — Simple Principles Lie Behind Intricate Equipment of New Toronto Building

By C. W. STOLLERY

To most people, even to many who buy and sell securities in the market, operations within the stock exchange itself are something of a mystery.

Yet there is nothing mysterious about the physical operation of the stock market, unless it be the speed of transactions.

In principal at least, the stock exchange operates like the Oriental bazaar where rugs may be bought; like the produce market where farms may sell butter, eggs and vegetables; and not unlike the northern trading post where the trapper exchanges furs for food, clothing and ammunition.

The trading posts in the new Toronto Stock Exchange Building are just what the name implies: places where buyers and sellers meet and arrange the terms of transactions.

Bid and Asked Prices

"Bid" and "asked" quotations for stocks recorded at the trading posts furnish the main clue to an understanding of the mechanics of the stock exchange. The bid price for any stock represents the price the buyer is willing to pay, and the asked price is the figure the seller offers to accept.

In a Persian market, one merchant may say to another, "How much for that rug?" Upon being told 20 rupees, our merchant may offer 15. The market for that particular rug, in stock exchange language, is "15 to 20"; that is, 15 bid, 20 asked.

In just the same way, a trader on the stock exchange may ask, "What is Rolling Railway offered at?" Upon being told $20 a share, he may bid $15 a share. The market in R. R. is then "15 to 20." There is a common inclination to take words "15 to 20" literally, as meaning an approximate trading level. There is little of the approximate about it. If the investor wishes to sell immediately, he can obtain exactly $15 a share. If he wishes to buy quickly, he can do so at $20. If he proposes to buy or sell between those prices, he is haggling without the certainty of making an immediate transaction.

Of course, the spread—15 to 20—is rather wide. More frequently quotations will be found something like 15 to 16, or even closer. When a trader has an order to buy or sell, and haggles over it, despite the possibility that the price may move adversely for his client, it is termed "pooping" with the order. Whether the word has a nautical etymology is unknown. But it represents the philosophy which must prevail on the floor of the stock exchange, that money talks: there's the price, take it or leave it.

Trading Posts

To get back to the stock exchange trading posts. These are nerve centres of the market. In the new Toronto Stock Exchange Building each post is hexagonal in shape. The base is a low platform with a railing behind which stands the stock exchange clerk, or "quote boy," responsible for operation of the post.

The top of the post is a six-faced mechanical blackboard, on which are recorded the current bid and asked prices for the stocks traded at that particular post. On each of the six faces there is room for quotations on ten stocks, and each face will carry a set of symbols similar to this:

B A K	22	2	22	4
B B C	7	3	7	4
B B C Pr	68	0	70	0
B K C	57	4	58	0
C A N	8	4	8	7
C M	00	0	01	0
C R N	8	6	9	0
C R N A	19	2	19	4
C R N B	10	4	10	6

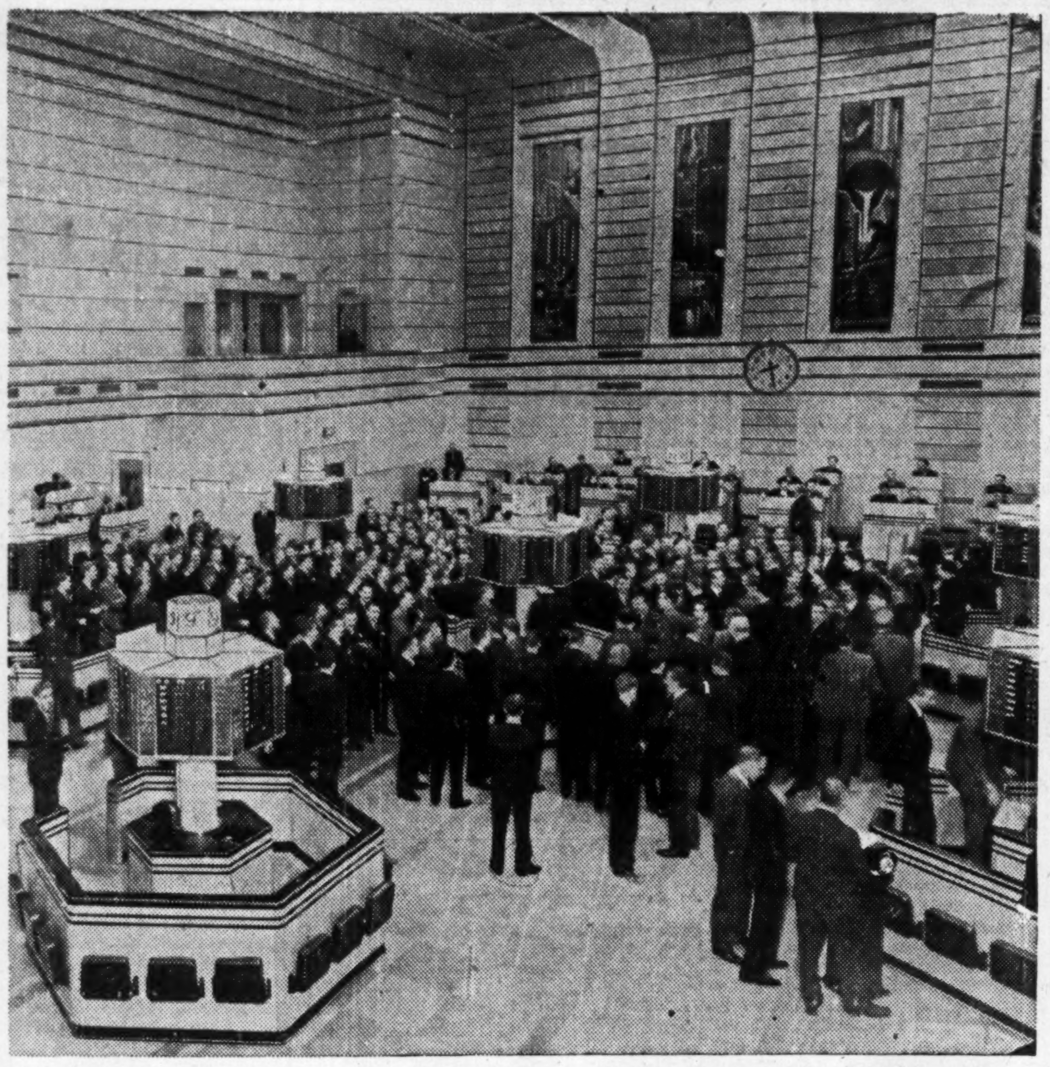
It looks like a Chinese puzzle, but actually is as simple as A B C. For instance, the symbol B A K is the abbreviation for Consolidated Bakeries common stock. The figures 22/2 simply mean the current bid for the shares is $22¼, no more, no less. And 22/4 means the shares are currently being offered for sale at $22-4/8, that is $22½ each. By the same token, the hieroglyphics C A N 8/4 | 8/7 would mean Canada Bread common is being quoted at $8½ bid, $8⅞ asked.

Everything in order

Bewilderment may be the reaction of many spectators in the visitors' gallery of the new stock exchange building when they first gaze on the scene of trading. Closer observation, however, with some knowledge of the systematic method of trading, will disclose that everything is really in the best of good order.

For one thing, trading will be concentrated at the posts, instead of scattered as before in rather loosely designed "squares" marked on the floor. The new system is one of a place for everything, and everything in its place.

The only place to make transactions in the 10 stocks listed on one face of the post is directly in front of that face. Since the post has six faces, each with room for quotations on 10 stocks, there are six trading areas around each post. Eight posts will be operated to start with, one being held in reserve. With 60 stocks quoted on each post, the initial capacity will be 480 stocks. Actually, there will be approximately 460 stocks quoted at the start of trading in the new building.



TRADING ROOM IN NEW BUILDING

This is a picture of the trading floor where the buying and selling of stocks will take place in the new Toronto Stock Exchange building. Actual trading in the new quarters has not started, but the photograph was taken while traders were assembled to receive instructions on the novel methods of operation in the new building. Note the hexagonal trading posts, each of which is equipped with spring seats.

Mechanics of Post

The mechanics of operation of the trading posts are simple, except for the complex electrical equipment that makes the wheels go round. The quote boy operating the post wears a headphone and is responsible for keeping the bid and asked prices on his post up to the minute. He does it simply by telephone. Any change in an existing quotation is telephoned by the quote boy to an operator in the quotation room. The quotation operator also wears a head-set and sits in front of a button-studded machine with price control keys. With this machine he sets up bid and asked prices at the post when received from the quote boy on the floor.

The bid for Canada Bread may change from $8½ to $8¾. The quote boy simply says "Canada Bread 8¾ bid" over his 'phone connection with the quotation operator. In the quotation room, the operator presses the right button and immediately sets up the new bid price on the post on the exchange floor, changing the figures from 8/4 to 8/6, the latter meaning 8-6/8, or 8¾.

The change in price is made in the twinkling of an eye, or rather in the clicking of a reel. The figures on each of the six little blackboards all move on reels. When the figures are changed, there is a distinct clicking sound as they turn around. Since dozens of changes will be made every minute, when the market is active, the sound from the trading floor will be a mingling of clickety-click-click-clicks with the drone of traders' voices. It will be much less noisy, however, than under the former system of yelling traders and ringing telephones.

Following an Order

The process of completing one order illustrates virtually every aspect of the mechanics of the new stock exchange. An order to buy 100 shares of International Nickel "at the market" will serve the purpose.

In the office of a Stock Exchange member, let us call it John Brown & Company, the order is given to the order clerk. He lifts the receiver of his 'phone and that automatically lights a signal at John Brown & Co.'s order desk on the exchange. Brown's clerk at the exchange desk takes the message to buy 100 Nickel and writes an order slip to be given to his floor trader.

The broker's 'phone clerk on the exchange has three ways of passing the order to his exchange trader. He has three keys on his desk, each controlling the signal light on a huge wall annunciator board. By pressing the right key, the order clerk can summon the proper trader to the desk to take the order. Or the clerk can shoot the message to the floor man by a pneumatic tube system. Thirdly, the clerk can use an exchange runner as an auxiliary to give the order to his trader and this service will be useful, especially in busy markets.

Executing the Order

Suppose the number of John Brown & Co.'s trader is 70. When the order clerk presses his switch, the number 70 is lighted on the wall board. Also, a smaller colored light appears below the number. The trader knows at once that there is a message awaiting his attention and goes to the order desk to get it.

The trader then proceeds to the post at which International Nickel is traded. At a glance he sees on the post the bid and asked quotation, 72.0-72.4, which is $72 bid, $72½ asked. He may bid 72¼. The post quotation clicks to 72.2 - 72.4 almost instantly. "Sold at 72½," says Brown's trader to the offerer. "I'll take 100." As the order is filled and there is no longer a bid of 72¼, the post quotation clicks back to 72.0-72.4.

The trader writes on his order slip: "Bought 100 Nickel at 72½ from John Doe," and may either take it back to the order clerk's desk himself or shoot it back by pneumatic tube or messenger. From the order desk on the exchange, the confirmation is 'phoned back to John Brown & Co.'s office.

The seller of the 100 shares writes out a floor slip, "Sold 100 shares Nickel to John Brown & Co. at 72½," and it is initialled by Brown's trader. These slips go to tube operators who shoot them to the operators of the high-speed ticker mechanism to be recorded on the tape.

The time between the order in John Brown & Co.'s office, the purchase on the trading floor, and the recording on the ticker may only be a matter of seconds. The only verbal parts of the transaction are the phoning to the exchange, the bid and purchase on the floor, and the phoning of changes in the post quotations by the quote boy.

The signalling of 'phone clerks on the stock exchange order desks by light instead of by the usual 'phone bell eliminates a great deal of noise. The order clerks may not leave their desks on the exchange. They are seated in the three tiers of double desks ranged around the trading floor. If the order clerks were free to run around it would create general confusion and congestion. The system of sending orders from the desk to the trader by pneumatic tube may also save a lot of shoe leather.

Quotation Novelty

A novel aspect of transactions on the stock exchange under the system in the new building is that John Brown & Co.'s client could know he would get his Nickel at 72½ when he placed his order. Through the dial ticker, he knew the quotation was 72 bid, 72½ asked, perhaps while Brown's trader was proceeding to the post on the stock exchange.

Price quotations at all trading posts are recorded through the one central room where four operators run the automatic system. Changes in prices at each post are 'phoned to the quotation operators. They flash back the new figures to the posts instantly. Simultaneously, the quotations at all eight posts are recorded automatically on a quadruple board facing the operators. This is the master quotation record of the whole exchange, and is simply a duplication of the quotations recorded at all the posts on the floor. The dial ticker connects with this central board. By dialing the correct code number, Brown's client can obtain the quotation for International Nickel as recorded on the exchange mechanism, before Brown's trader receives the buying order, or while Brown's trader is on his way to the post.

Expensive Electrical Nerves

While each trading post is a nerve centre of the market, all are operated from the master nerve centre to which the dial ticker is connected. The intricate electrical nerve system is necessary for efficient handling of the average day's business which amounts to 6,000 to 9,000 transactions representing 12,000 to 18,000 buying and selling orders, there being a buyer for each seller.

There isn't a mystery about the actual handling of business on the stock exchange. The real mystery is in the marvellous electrical system which operates the physical facilities in the new building. It represents an outlay of some $125,000 and makes the Toronto Stock Exchange second to none in the world in point of mechanical equipment.

Clearing House Settles Trades

Need Efficient Machinery for Daily Settlements

The clearing house of the Toronto Stock Exchange is an efficient and vital cog in the machinery which provides for daily buying and selling of shares. Through its offices each day pass all transactions that have taken place on the floor of the Exchange.

Were it not for the clearing house, it would be necessary for an army of messengers to be employed running to and from every broker's office. Hundreds of cheques would be drawn, and brokers would have to work day and night keeping track of the meanderings not only of their own messengers but of those of other brokerage firms.

The working of the clearing house is a collective method of settlement.

Each member of the Exchange gives the clearing house every afternoon a sheet showing all transactions he has had on the Exchange for the day. All the selling transactions are on one side of the sheet, and buying transactions on the other. Two balances are struck. First, there is a balance of money either owing to the broker or owing to the clearing house. Second, the broker will owe some shares for delivery and will be owed some stocks by the clearing house.

When these sheets have been delivered to the clearing house, the members of the staff start immediately to check them one against the other, the items of the buyer against the items of the seller. Where any differences occur, the actual trading slip that was written on the floor of the Exchange is always taken as the final and deciding evidence.

Each stock must be checked to see that the amount to be delivered equals the amount to be received. This means that in addition to balancing cash, the clearing house must strike a balance for about 200 stocks each day.

The next day at noon, each broker delivers to the clearing house the stocks and cash he owes. These are counted and examined carefully by the clearing house staff and sorted in varying denominations of the same stock. The clearing staff then allocates to each broker the amounts of cash and stocks due him. Within two hours of final receipt by the clearing house of all stocks and cash, a complete settlement is made. Thus within 24 hours of the trades on the Exchange floor the clearing house has settled all transactions.

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Provinces Aim to Halt Stock Fraud

Dominion and Provincial Officials Plan Co-ordination

AID TO INVESTORS

It seems that questionable share pushing is going to become increasingly difficult in Canada. Stock frauds have led to unity of action by all the provinces. This good news for investors arises from the recent conference of officials of all provinces and of the Dominion at Toronto.

The conference has made a lengthy list of recommendations to the respective governments with the general objective of obtaining more information on securities for investors and giving closer knit protection from securities frauds from coast to coast. The meeting was convened by W. J. P. O'Meara, Assistant Under Secretary of State, Ottawa.

The Toronto meeting grew out of the gathering of Dominion and provincial officials at Ottawa last November to discuss reform of the 10 Canadian companies acts. However, the primary aim of the Toronto gathering was to co-ordinate administration of the various security frauds prevention acts rather than completion of companies act reform.

In addition to representatives of all 10 Canadian governments, three officials of the U. S. Securities and Exchange Commission attended the sittings of the Toronto conference. American interest in Canadian regulations of security sales arises from share hawking across the border by telephone.

Recommendations Summarized

Chief recommendations made by the conference to the Dominion and Provincial Governments are summarized as follows:

1. Full disclosure of information should be made by those offering securities.

2. Prospectus clauses of the Dominion Companies Act should be made obligatory in all provinces, as a minimum information basis, with more explicit data for mining securities.

3. The Dominion should form a central bureau as a sort of clearing house for data on promotions, records, persons and administrative activities connected with securities.

4. Registration under provincial laws of all persons and firms trading in securities.

5. Qualification of persons and securities in each and every province where securities are being sold.

6. Pending uniform prospectus laws, transactions by a company of the type that would be required to be disclosed by prospectus must be reported before the transactions become effective.

7. Mining shares should be authorized only where ownership of properties is clearly vested in the company.

8. Vendors' stock in mining companies should be held in escrow and release of such stock restricted, and in most cases 33 1/3% should be the maximum interest going to vendors.

Mining Options

9. Principles governing mining shares held under option agreement should be:

(a) Minimum price to the treasury should be 15 cents a share.

(b) Company treasury should get at least 70% of price paid by the public.

(c) Option agreements should be exercised within 18 months.

(d) Failure of optionee to exercise his rights under agreement should be reported to registrars within 10 days.

(e) Options may be assignable and may be taken by unregistered persons.

(f) There should be no interference with contractual rights under options.

10. Security brokers should be held financially responsible to their customers and "surprise audits" used generally by the provinces.

11. Quotations on unlisted securities should not be furnished to newspapers unless there is a public market in the issue.

12. Circulation of advertising material in provinces where the advertiser is not registered may be stopped after complaint and warning, by cancellation of registration in the province where the advertiser is registered.

Knock "Boiler Rooms"

13. "Boiler rooms," operated to sell securities by 'phone, should be suppressed. Telephone sale of securities in provinces where the seller is not registered may lead to cancellation of license in the province where the seller is registered.

14. Objectionable advertising should be restrained although no standard formula can be laid down in this regard.

15. All advertising should be dated and carry the name of the issuer. Advertising of price quotations should be discouraged.

16. Increased offerings of oil stocks require these safeguards:

(a) No qualification be granted for sale of shares unless applicant intends to develop properties, furnishes a current report by a qualified authority, and has authority to title of lands.

(b) Sale of oil royalties should be discouraged.

(c) Vendors generally, should not receive over 33 1/3% of capital.

(d) Vendors' shares should generally be held in escrow until production is reached.

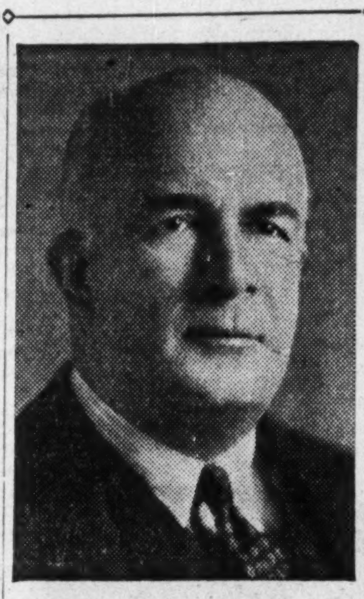
(e) All stock subscriptions, less 10%, should be deposited with a bank or trust company until the minimum necessary for the planned development is raised.

17. It would be advantageous to provinces enforcing their securities acts if Dominion companies should be obliged to offer their securities through the provincial administrative channels.

18. At the beginning of every prospectus there should be a prominent statement that the securities have neither been approved or disapproved by the registering authority.

Speed and Time Factors Paramount In Design of New Exchange Building

Economy of Space Achieved in Plan of Trading Floor — Unique Truss Features Embodied in Upper Section



EXCHANGE PRESIDENT

H. B. Housser, of H. B. Housser & Co., president of The Toronto Stock Exchange, who will take a prominent part in the official opening ceremonies on March 20.

From rock-embedded caissons 30 feet below the sidewalk to the skylighted roof of Toronto's new Stock Exchange building, the predominant note in functional design is "speed."

The new Exchange building is designed to combine architectural merit with its basic purpose of housing high-speed mechanical equipment through which share transactions are cleared with lightning-like rapidity. Time and speed factors are therefore paramount and problems of a construction character have been solved with these considerations ranking ahead of all others.

The principal problem faced by designers and builders of the world's most up-to-date share exchange was to provide a trading floor of maximum area within the limits of the property. The trading floor is the heart of the whole intricate and complex structure, and on it are installed the component parts of a machine in which the time factor is all important. Construction of the building on an area of some 10,000 square feet has been accomplished with no less than 8,000 square feet devoted to the trading floor alone, leaving only 2,293 square feet to accommodate walls, stairs and lobbies. If space occupied by telephone desks and trading posts is deducted the net trading space is 5,600 square feet or more than half the total floor space of the building.

Acoustic Qualities

This economy of space is only one of the carefully planned steps in the design of this newest high-speed mechanical market place. Three plans were considered for the most accessible location of the trading floor and it was finally placed on the second floor, where it is free of columns, of sufficient height to absorb the din of shouting voices, and where an even distribution of light and conditioned air is possible.

On the first floor of the building are the executive department offices, members' dining room, rest rooms and coat rooms. Below, in the subbasement and a part of the basement are the intricate mechanical installations used to operate the visible equipment on the trading floor, while the balance of the basement is set aside for statistical, quotation and ticker services, vaults, staff locker rooms and a central pneumatic tube station.

No Exposed Fixtures

But it is the trading floor which holds chief interest from the standpoint of modern design and construction. Five windows on the east and west walls are glazed with flashed opal glass and are continued across the ceiling forming panels for strip lighting. There are no exposed lighting fixtures, the phone desks recesses on the north and south sides of the room being illuminated from ceiling coves. Each entrance lobby is provided with a switch operating a signal light to call a page from the floor.

The room is approximately 40 feet high, supply air being brought in about 16 feet from the floor and exhaust taken out through grilles in the risers of the phone desk platform:.

As far as possible, corners of the room and the trading posts have been rounded off. Hinged upholstered seats of the spring-up theatre type are provided for all phone desks on the faces of the front line phone desks and on the faces of the post enclosures.

Steel Trusses Span Building

Between the ceiling of the trading room and the third floor, steel trusses span the building and carry the columns supporting the upper structure. The space occupied by these trusses is used for the air-conditioning equipment for the trading room and the third floor and for the recirculating fans and fans for the lavatory and kitchen exhaust systems, with the network of ducts pertaining thereto. In this truss space also is access for relamping the ceiling lighting strips of the trading room.

The third floor is laid out for the executive office. Across a corridor are the secretary's and executive manager's office connected with the general office which is equipped with ample vault space. Public access to the general office is gained from a corridor running westerly from the elevator hall. The whole building is fully air-conditioned with sufficient direct radiation provided to maintain temperatures when the supply fans are not operating.

Provision in the structure and mechanical services has been made for the addition of two further storys, the east wall having a set back of ten feet from the line of the street.

The foundations of the building are caissons carried to rock which on the site of the building, is approximately 30 feet below the sidewalk.

On these caissons rest the columns which support the several floors of the building. The first and second floors are constructed of reinforced concrete beams supporting two-way slabs. All the floors above the second are of structural steel beams and haydite concrete slab.

Six Interior Columns

The trading floor, which required a large area without columns and a high ceiling, has only six interior columns. Four of these occur at the inside corners of the areas in which the stairs and elevators are placed. The other two are in the front part of the building near the entrance. These six columns carry the system of trusses which support the upper part of the building. The columns are of steel above the second floor and combined concrete and steel below that level.

The trusses form the most interesting feature of the building. There are six running north and south with a span of approximately 75 feet. Three are carried on trusses running east and west about 10 feet inside of the north and south walls. The north and south trusses weigh about 15 tons and the east and west trusses 25 tons.

Another interesting feature is the columns in the front wall on either side of the entrance. The columns run vertically from the roof down to the balcony level; then slope outward from each other down to the second floor level from which they run vertically to the first floor. This widening of the distance between the columns was necessary in order to clear the entrance doorways. The method of spreading columns is somewhat unusual, but is effective where conditions allow.

Associated Telephone Group Stage Recovery

From Our Own Correspondent

MONTREAL. — Subsidiary telephone companies of Associated Telephone and Telegraph Co. have, in the aggregate, more telephone stations in operation at present than during the peak conditions in 1929, according to an official statement. Subsidiaries manufacturing telephone equipment are also reported to have orders booked for six months ahead.

This improvement in business has enabled directors of Associated Telephone to resume partial dividends on the 7% and $6 first preferred stock in Aug., 1936, after a lapse from April, 1932.

Anglo-Canadian Telephone Co., a holding company for the Canadian enterprises of Associated Telephone and whose most important subsidiary is the B. C. Telephone Co., has also been experiencing better business. Replacement of its 7% preferred stock by a 5½% issue, it is estimated, will reduce annual preferred dividend requirements by $31,350 which will be reflected in increased earnings available for the junior securities.

Montreal Stock Trading Records Gain for January

From Our Own Correspondent

MONTREAL. — Montreal Stock Exchange and Montreal Curb Market reported a total turnover in February of 10.7 million shares, an increase of 727,000 shares over January. Compared with Feb. 1936, the month's volume represented an increase of 5.1 million shares.

Volume of trading in industrial shares on the Montreal markets totalled 1.6 million shares, which compares with 2.8 million shares in January and 1.5 million shares in February a year ago. Mining turnover amounted to 9.1 million shares as against 7.2 million shares in the previous month and 3.9 million shares in the corresponding month of 1936.

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Dial Ticker New Feature Of Exchange

Bid and Asked Prices Are Obtained by Dialing Numbers

SPEED RECORDING

There will be two ticker services operating from the new Toronto Stock Exchange building:

1. Dial-ticker for bid and asked quotations.
2. High-speed recording ticker.

The dial-ticker is a new development, devised by Teleregister Corp. in co-operation with Canadian National Telegraphs.

The instrument has a dial in front similar to that of a telephone. It is located at the stock broker's office, and is connected directly with the automatic quotation board in the Stock Exchange building.

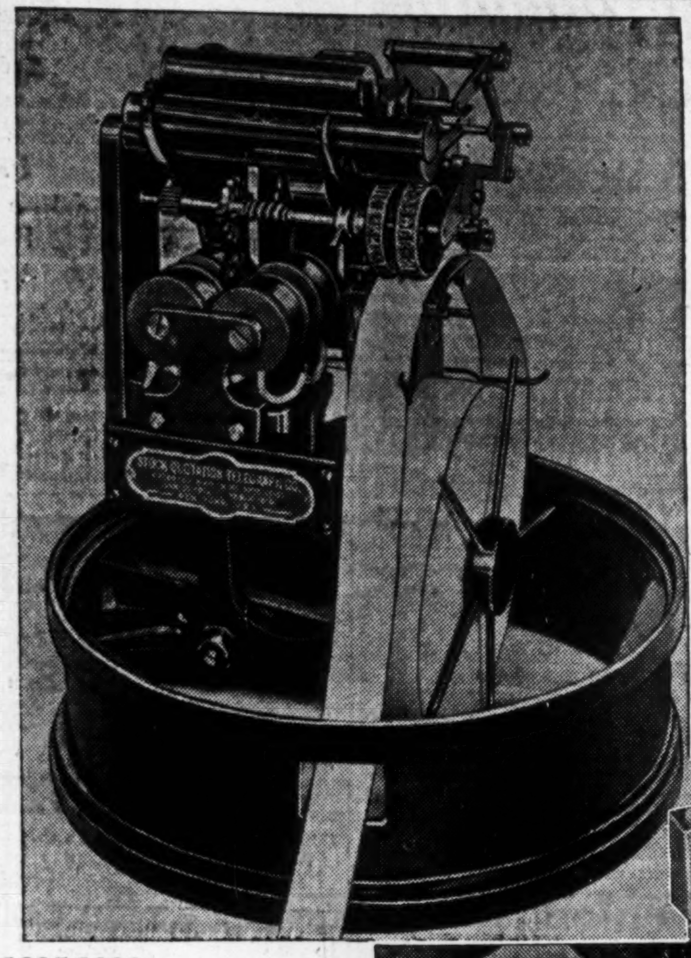
To obtain the current floor quotation on any particular stock, all that is necessary is to dial the correct code number.

New and Old

The code number for International Nickel will be 1-1-1. By dialing this number on the dial-ticker, the instrument is set in operation. The transmission comes back from the Exchange on the dial-ticker tape repeating the code number in print, followed by the bid and asked price recorded on the trading post of the trading floor.

There is one button on the dial-ticker to start it, and another button to call back an error in dialing. The whole operation in obtaining a floor quotation takes about seven seconds.

Under the old method of trading there were blackboards around the walls of the trading floor, on which the prevailing bid and asked quotations were marked in chalk. When a client wanted the prevailing quotation, the broker asked for it through his private telephone line to the Stock Exchange. The requests for quotations were constantly interfering with transmission of buying and selling orders. With the dial-ticker, an Exchange member will be able to keep his order phone free of this burden and yet give better service to clients.



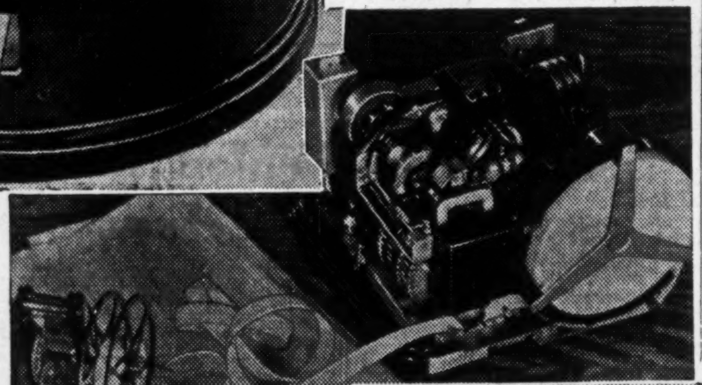
1895-1928

The dial-ticker will cost the subscriber $65 a month. This fee it is hoped will be sufficient to pay off in five years the entire cost of expensive equipment installed in the new building for the purpose of this special service. Most members of the Exchange are expected to use the new device.

Fast Ticker, Faster

Improvements have been made in the high-speed ticker which carries the record of actual transactions made on the Exchange. The Toronto Stock Exchange ticker will have a capacity of over 500 characters a minute.

A new system of operation has been adopted along the lines used in the larger American stock markets. This operation originates with a trade on the floor of the Exchange. When a trader makes a transaction, it is recorded on a paper slip which is sent to the ticker operators by pneumatic tube. The slips are placed on a belt conveyor running directly in front of four operators.



HIGH-SPEED TICKER

As the slips pass in front of the operators, they record the transactions on perforator machines. These are something like typewriters. Instead of printing letters, however, they perforate a tape with combinations of holes. The perforated tape in turn passes through the master ticker transmitter. This mechanism on the principle of an automatic piano, prints the actual ticker tape with figures and letters from the perforated tape records.

Smoothed by Electric Eye

The photoelectric cell—"the electric eye"—has been adapted by Canadian National Telegraph engineers to keep the high-speed master ticker running with smooth continuity. The device regulates the flow of the perforated tapes into the master ticker.

The perforated tapes form four loops passing from the four machines into the master ticker. The length of the loop is used to stop and start the pull of tape from each operator's machine.

When an operator's machine stops the master machine pulls this loop in and allows a beam of light to fall on a photoelectric cell. This starts an electric current which stops the pulling of tape from the operator's machine. Automatically the master machine starts to pull the perforated tape from the machine of one of the other operators. Thus, in rapid rotation, the master ticker is always pulling tape from the four machines. With this system there will be no hesitation of operation. The ticker will always be running.

Origin of Tickers

It is a far cry from the automatic workings of the highest speed ticker on the new Toronto Stock Exchange, and its photoelectric cell, back to the first stock tickers.

The instrument grew out of the invention of the telegraph. In fact the present-day stock ticker is simply a running telegraphic report, nearly instantaneous, of every transaction of the Stock Exchange.

Stock tickers were first introduced on the New York Stock Exchange, the original being the Phelps type. These tickers were wound up with a heavy iron weight, clockwork style, and operated intermittently, supplying quotations every 20 minutes. The first installation in Canada was in Montreal some time in the 1870's, and was followed by installation in Toronto about 1881.

The Wirsching ticker came into use in 1891. Although it operated twice as fast as the Phelps type, it soon proved inadequate to handle the rapidly growing volume of Stock Exchange business in New York.

The Burry ticker, giving a continuous record of transactions was installed in New York in 1895. At first it was not operated direct from the Stock Exchange. Quotations were transmitted by Morse code to a main telegraph office from which point they were sent out on the ticker.

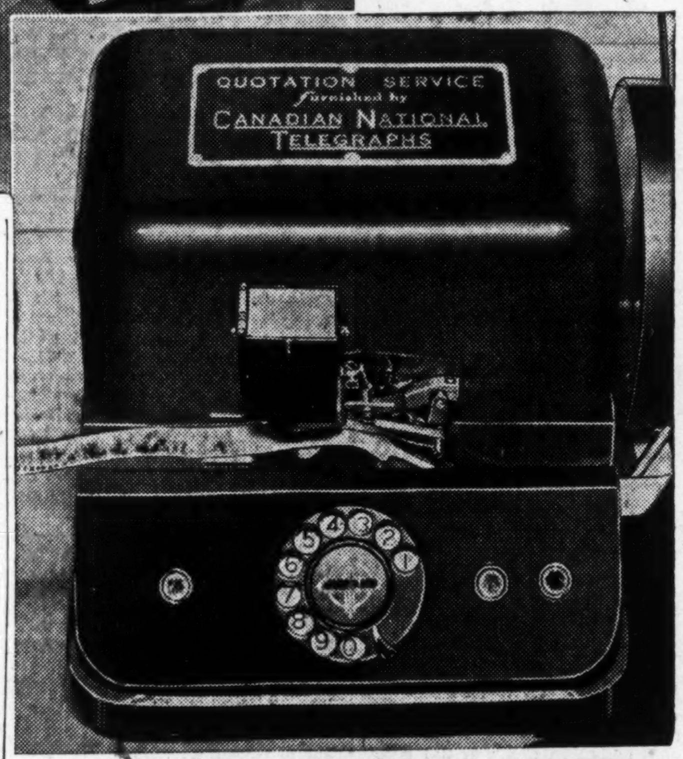
High-speed Western Union Tickers came into use in New York in 1926, and were capable of handling 300 characters a minute. It was found in the high volume of trading in 1928, however, that even this improved mechanism was much too slow to keep pace with the increasing number of Stock Exchange transactions. Frequently, the ticker would fall far behind the market.

Metal for Glass

With the development of the present type of stock ticker in 1929, the old glass dome cover, so frequently seen in cartoon and caricature, disappeared. The ticker is now closed in a black enamel metal cover.

Although New York had the new Western Union ticker in 1926, the older Burry device was used in Toronto up to 1928.

The pioneer operator of stock tickers in Canada was the Montreal Telegraph Co., now part of the Canadian National Telegraph system. Canadian National engineers have contributed to the development of the unique new dial quotation ticker for the Toronto Stock Exchange, and have also aided in the development of improvements to the high-speed running ticker.



NEW DIAL TICKER

Seats on Stock Exchange Have Wide Price Range

A membership of the Stock Exchange is commonly called "a seat" because in the early days of trading the members sat around a table to conduct their dealings.

Value of seats on the Toronto Stock Exchange has now risen to about $65,000, compared with a low in the depression of about $15,000 on the former Mining Exchange and a high of over $200,000 in the 1929 boom on the older Toronto Stock Exchange. There is some expectation that the price may rise to $100,000 if recent activity in stock dealings continues.

Charter members of the original Mining Exchange which developed into the Standard Stock and Mining Exchange, now part of the Toronto Stock Exchange, paid $35 to $40 for their seats. About 1903, when trading on the former Mining Exchange dropped to its lowest volume, seats changed hands for as little as $10 cash. The stock list then consisted of only 18 issues, six financial institutions, five industrial concerns, and seven mines.

The mining section of the Toronto Stock Exchange alone now quotes shares of over 200 companies. Transactions in these had an aggregate value of more than $401 millions in 1936.

B.C. Telephone Plans Flat Rate

Makes Offer to Vancouver to Change Present Service

From Our Own Correspondent

VANCOUVER. — Following lengthy negotiations the British Columbia Telephone Co., subsidiary of Anglo-Canadian Telephone Co., has made an offer to the City of Vancouver for flat rate service in the city, University of British Columbia endowment subdivision and a section of Burnaby.

Increased annual cost to the company, if the offer is adopted, will be $381,624, according to Major James Hamilton, vice-president and general manager. This sum includes increased operating costs of $174,560 and a loss in inter-exchange tolls of $207,064. The new schedule of rates proposed would produce a figure about $4,000 short of the increase in cost. In addition, the company claims it will have to spend about $50,000 in training a new operating staff, in clerical wages and changing records involving 70,000 stations. About six months would be required to make the change.

The plan provides for elimination of inter-exchange tolls; a rate of $2.60 a month for subscribers to two-party lines. Subscribers in suburban areas are to have the privilege of participating in a multi-party service (about four stations per line) at $2.20 a month. No change is to be made in rate to private line subscribers.

SUCKLING SETS UP OWN FIRM

From Our Own Correspondent

MONTREAL.— Wright-Henderson and Co. announces the resignation of Guy M. Suckling, sales manager. Mr. Suckling will continue in the investment business under his own name.

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Stock Listing Provides Aid To Investors

Listing Committee of Exchange Requires Extensive Information

The listing committee of The Toronto Stock Exchange performs a vital function.

The committee, in co-operation with the Ontario Securities Commissioner decides whether stocks are eligible to be traded on the Exchange. Step by step, the regulations imposed on companies, desiring the wider market for their shares through listing on the Exchange, have been tighened.

Listing is no guarantee that the investor can make money in the shares. But it is indicative of additional protection because of the information that companies with listed shares must supply. There is a considerable difference between full listing and a listing on the "curb" section. Companies with shares on the curb are not required to give as much information as those with listings on the official main list.

It does not make any difference whether the company that wants to have its stock listed on the Toronto Stock Exchange makes automobile tires, bookcases or electric lights, and, of course it may be developing Canada's natural resources through mines, lumber or fisheries. The procedure for handling the listing application will be identical. However, there are variations in the information which must be supplied.

Utility and Industries

The public utility or manufacturing company frequently has placed a mortgage on its property and sold bonds to the private investor. It often has preferred stock as well as common, each with varied provisions and voting powers. Its business may depend on patented products and its goodwill largely on advertised and registered tradenames.

All of these things and many others have an influence on the market for the company's stock. The Exchange, therefore requires complete information on these points.

Listing a Mining Stock

Suppose the directors of a mining company decide to apply for listing of the company's shares on The Toronto Stock Exchange. First they obtain from the Exchange an application form. They must fill it in with extensive information, and two officers or directors must certify its accuracy.

Except in unusual circumstances, there must be 100 shareholders and 10% of the shares must be in the hands of the public before listing will be approved. Sanction of the Ontario Securities Commissioner for sale of the shares must also have been obtained.

The company must also provide certified copies of its letters patent, its prospectus, a copy of a recent report by a competent mining engineer, a detailed list of property holdings, a copy of its last annual report, a recent statement of assets and liabilities and revenue and expenditure account and other items of similar nature.

As a safeguard against overissue of shares, it is necessary for the company to have a trust company or bank in Toronto act as transfer agent and registrar for the shares.

Financing Safeguarded

Plans for financing the mine's development work receive close scrutiny by the committee. If there are options or similar underwriting agreements outstanding affecting the shares, they must be disclosed. Shares issued to promoters, known as vendors' shares, are required to be placed in escrow—as a sort of guarantee of good faith—for at least six months. This is a safeguard against disturbance of plans for marketing shares to obtain capital for development.

Assuming that the company has satisfied the listing committee that its affairs are such as to warrant trading on the Exchange, the listing committee will make a favorable recommendation to the managing committee of the Exchange. If this is adopted, a date is set for commencement of listed trading.

Agreement To Follow

Listing requirements, however, do not stop with the actual trading of shares. The Stock Exchange can remove any stock from trading privilege without giving its reasons. Every company whose shares are traded on the main list must agree with the Exchange to supply information as follows:

1. Changes in the nature of the business.
2. Issue of additional securities.
3. Underwriting or option agreements concerning unissued shares.
4. Notification of dividends at least 10 days before the ex-dividend date.
5. Annual report of operations and accounts.
6. Data on changes in incorporation provisions.

Dominion Coal Co. Market Is Assured

From Our Own Correspondent

MONTREAL. — Dominion Coal Co.'s position in the central Canadian coal market is assured by the announcement of Hon. T. A. Crerar, Minister of Mines and Resources, that no change is intended in the principle of coal subventions.

During 1936 subventions on Nova Scotia amounted to $1,573,000 covering the movement of 1,681,000 tons of coal into Quebec and Ontario.

Similar arrangements are made for New Brunswick, Alberta and British Columbia.

Power Corp. Group Sets New Output Record

From Our Own Correspondent

MONTREAL. — Companies controlled or affiliated with Power Corp. of Canada report an all-time power production peak in January, output totalling 226 million kw.h. as compared with 182 million kw.h. for January last year, an increase of 24%.

January Kw.h. Output

	1937	1936
Winnipeg Electric ..	84,616,100	65,761,400
Southern Can. Pwr.	25,661,590	12,482,720
Canada North. Pwr.	53,403,722	50,159,021
East Kootenay Pwr.	6,497,734	5,852,372
B. C. Power Corp..	55,074,949	47,122,916
Northern B. C.	983,892	930,476
Total	226,237,987	182,308,905

VICE-PRESIDENT

Norman C. Urquhart, of N. C. Urquhart & Co., vice-president of The Toronto Stock Exchange, who is in line, in the usual order of succession, to become the next president.

Toronto Third In Cash Volume

The Toronto Stock Exchange ranks third among stock exchanges in this continent in dollar volume of aggregate transactions. It is preceded only by the New York Stock Exchange and the New York Curb, and is followed by exchanges in such American cities as Chicago, Boston, San Francisco and Philadelphia. Total dollar volume figures for the Montreal Stock Exchange and Montreal Curb Market are not yet available.

Total listings on the Toronto Stock Exchange at the end of January, 1937, were 643,195,175 shares, having aggregate market value of $6,124,012,227.

A comparison of value of transactions in 1936 follows:

Value of Exchange Transactions

	1936 $
New York Stock Exchange..	20,386,625,659
New York Curb	2,054,761,905
Toronto Stock Exchange ...	701,324,926
Chicago	292,673,171
Boston	248,350,846
San Francisco	171,538,186
Philadelphia	127,584,742
Los Angeles	111,471,880
Detroit	73,477,385
Pittsburg	48,043,219
San Francisco Curb	32,586,604
Vancouver Stock Exchange	26,702,523

Mar. Telephone Records New Gain in Operations

From Our Own Correspondent

MONTREAL.—Continued growth in long distance traffic is reported by Maritime Telegraph and Telephone Co., the January returns showing an increase of 9,869 calls over the same month the year before. In all there were 112,614 completed calls. In addition the Island Telephone Co., a subsidiary operating in Prince Edward Island, reports 14,590 calls.

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Our statistical staff would be pleased to answer inquiries regarding all classes of securities.

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Page-Hersey Can Cut Stock

Dividend of $1 a Share May Indicate $4 Basis —New Director

Shareholders of Page-Hersey Tubes adopted a by-law at the recent annual meeting authorizing directors to effect a reduction of capital from 175,000 to 140,000 shares. This may be done at the discretion of directors by cancellation of 724 unissued shares and purchase of 34,276 of the 174,276 outstanding shares for cancellation.

A dividend of $1 a share has been declared payable April 1 to shareholders of record March 15. For the past four years the dividend rate has been 75 cents a share quarterly, or $3 annually. An extra of 25 cents a share was paid at the close of 1936. Officials do not state that a $4 annual basis will be maintained this year, but earnings were sufficient in 1936 to allow it.

W. G. F. Grant, Toronto, was elected a director at the annual meeting, taking the place of H. Rooke.

An increase of 10% in wages of workers at the plants at Welland, Ont., was announced at the annual meeting.

BUILDING CHAIRMAN

The multitude of details connected with construction of the new building of The Toronto Stock Exchange has been supervised by a special building committee, under the chairmanship of Frank G. Lawson, of Moss, Lawson & Co., shown above.

The members of the committee are Norman C. Urquhart of N. C. Urquhart & Co.; Hon. Manning Doherty of Doherty, Roadhouse & Co.; Gordon W. Nicholson of G. W. Nicholson & Co.; and R. B. Duggan of Duncanson, White & Co.

First Quarter Dividends Increase $10.1 Millions

Dividend payments by Canadian corporations during the first quarter of 1937 will be $10.1 millions higher than in the corresponding period of 1936, The Financial Post estimates. Preliminary figures indicate that total payments for the quarter will amount to $49.6 millions, compared with $39.5 millions in the first three months of last year.

March dividend payments are estimated at $21.5 millions, an increase of $2.4 millions over the same month of 1935.

Contributing to the increase are increased payments by Imperial Tobacco, International Nickel and Maritime Trust; also extra dividends by Electrolux Corp., Petrol Oil, Remington-Rand, Siscoe Gold and Sylvanite Gold. Montreal Cottons is paying a common dividend of 50 cents a share, the first since 1932.

Payments on arrears of preference dividends are being made by Canada Cement, Canada Wire and Cable, Dominion-Anglo Investment, Easy Washing Machine Co., International Utilities and Marcus Loews Theatres.

Details of March payments are given below:

SUMMARY OF MARCH PAYMENTS

	1937 $	1936 $
Dividends	21,500,656	19,176,291
Bond interest	20,494,910	20,149,222
Total	41,995,566	39,325,513

DIVIDEND PAYMENTS

Company:	Rate	Date	Amount
Agnew-Surpass, c.	.20s	1	$ 15,904
Aluminium, pfd.	1.50q	1	187,069
Anglo-Can. Tel., A	.12½q	1	32,625
Bk. Can. Nationale	2q	1	140,000
Bank of Montreal	2q	1	720,000
Bank of Toronto	2.50q	1	150,000
Biltmore Hats, pf.	1.75q	15	3,665
Bright, T. G.	.07½q	15	7,500
Do., pref.	1.50q	15	11,823
Canada Cement, pf.	*1	20	200,869
Canada Malting	.37½q	15	74,614
Canada Vinegars	.30q	1	27,600
Can. Wire & Cable, pf.	*1.75	20	50,523
Can. Celanese, pf.	1.75q	31	157,500
Do., accrued partic. ..	.69	31	69,003
Do., com.	.40	31	100,163
Can. Bk. of Commerce ..	2q	1	600,000
Can. Gen. Insur.	5%	15	25,000
Can. Int. Inv. Tr., p. ..	2.50	1	45,375
Can. W. Nat. Gas, pf. ..	1.50q	1	49,929
Capital Trust	3a	2	26,526
Central Pat. G. M.	.04	15	100,000
Corr. Pap. Box, pf.	1.75q	1	13,710
Dom. & Ang. Inv., pf.	1.25q	1	16,875
Do., arrears	1.25	1	16,875
Dom. Scott. Inv., pf. ...	.25q	1	14,925
Easy Washing, pf.	*.35	1	2,521
Electrolux	.40q	15	495,000
Do., extra	.10	15	123,750
Falconbridge N.	.07½q	31	250,275
Ford Motor, A & B	.25q	20	414,740
Hollinger Gold	.05	25	246,000
Ham. Un. Theat., pf. ..	1.25q	31	9,848
Hightower Oil, pf.	.15q	1	22,684
Imperial Tob., ord.	.10q	31	945,103
Do., final	.22½	31	2,126,482
Do., pref.	3%s	31	240,900
Inter. Mining	.15q	20	60,008
Inter. Nickel, c.	.50q	31	7,292,012
Inter. Utilities, pf.	*4	1	43,956
Do., $3.50 pfd.	*2	1	217,674
Lake Shore Mines	1q	15	2,000,000
Lake of Woods M., pf. .	1.75q	1	26,250
Laura Secord	.75q	1	43,125
Lava Cap M.	.02	31	50,000
Loblaw Grocet., A, B.	.25cq	1	207,657
Louisiana Land	.10q	15	300,000
Macassa Mines	.05	1	133,903
McColl-Front., c.	.20q	15	132,000
McIntyre Porc.	.50q	1	399,000
Mitchell, J. S., c.	2	1	30,000
Montreal Cottons	.50	15	15,000
Do., pref.	1.75q	15	52,500
Montreal Loan	.50q	15	12,000
Model Oils	.03	2	29,865
Marcus Loew's, pf.	*1.75	31	11,442
Maritime Trust	2a	1	5,444
New Meth. Ldry., pf.	1.62½q	1	4,062
N. S. Light & Pr., pf. ..	1.50q	1	25,500
Ogilvie Flour, pf.	1.75q	1	35,000
Ont. Silknit, pf.	1.75q	15	17,500
Petrol Oil & Gas	.02s	1	4,400
Do., bonus	.02	1	4,400
Photo Engravers	.50q	1	15,000
Pioneer Gold	.10	31	175,175
Remington-Rand	.15q	26	209,153
Do., stock bonus	1%	26	13,943
Do., extra	.15	26	209,153
Regent Knit., pf.	.40q	1	6,400
Reliance Grain, pf. ..	1.62½q	15	32,500
Rolland Paper, pf.	1.50q	1	22,500
Royal Bank	2q	1	700,000
Russell Motor	1.25	31	10,000
Do., pref.	1.75q	31	21,000
Sec. Std. Roy., pf.	.01	1	25,035
Siscoe Gold	.05q	15	230,500
Do., extra	.01	15	46,100
Stuart, D. A., pf.	.20	1	9,000
Sylvanite Gold	.05q	31	164,975
Do., extra	.05	31	164,975
Tor. Gen. Insur.	.25a	15	23,696
Union Gas	.12½	15	88,273
H. Walker-G. & W.	.50q	15	330,000
Do., pref.	.25q	15	115,204
Total			$21,500,656

a—Annually.
q—Quarterly.
s—Semi-annually.
*—On arrears.

BOND INTEREST DUE IN MARCH

Company:	Rate	Date	Due	Amount
Atlantic Util., A▲ ...	5	1	1963	$ 12,500
Ancroft Place	4	1	1956	5,790
Bawlf Ter. Elev., A.	6½	1	Serial	3,088
Bell Tele., A	5	1	1955	750,000
Brit. Amer. Oil	4	1	1945	80,000
B. C. Elec., deb. stk. .	4½	30	Perp.	287,355
B. C. Power, A▲	5½	1	1960	265,952
Do., B▲..........	5	1	1960	90,212
Can. Bakeries	6½	1	1945	20,309
Can. Nat. Rly.	4½	1	1951	1,125,000
Can. N. Ont. deb. stk.	3	31	1953	140,398
Can. Pac. Rly.	4½	1	1946	450,000
Do., convert.	6	15	1942	375,000
Dom. Steel, inc.	*	1	1955	74,375
Dom. Elec. Pr., A ..	5½	1	1955	23,375
Dom Textile	4½	1	1955	100,282
Garment C. Capitol..	6½	1	1942	17,979
Gleneagles Inv.†	5	1	1944	52,615
Gt. Lakes Power, A.	4½	1	1956	90,312
Gt. West. Sadd.	6	1	1948	14,355
Gypsum, Lime, Ala..	5½	1	1948	96,937
Hillcrest Coll.	5	1	1940	8,125
Hotel Victoria	6	1	1949	7,362
Inter. Power	6½	1	1957	97,500
Int. Pwr., gold deb...	6	1	1957	60,000
Lindsay, C. W.	6	1	1958	12,000
Mersey Paper, A	6	1	1949	56,985
Montreal Coke	3½	16	Serial	21,000
Do.	4	16	1947	44,000
Northern Tele.▲	6	1	1948	4,740
Paton Mfg.	4½	1	1956	15,750
Pembroke So. Rly. ..	4	1	1956	3,000
Power Corp., B	4½	1	1959	193,117
Prov. L. Heat	5	1	1946	17,800
Stock Exch. Bldg.• ...	6	15	1944	16,032
Stand. Lime	6	1	1944	15,450
Ritchie Cut Stone ..	6½	1	1948	1,706
Robin, J. & Whit. ..	6	1	1950	5,400
Sao Paulo Tram.	5	2	Perp.	99,997
Silverwoods	7	1	1937	4,021
Three Rivers Gr'n, A	5½	1	1951	11,000
Toronto Carpet, A▲..	6	1	1944	17,670
Trail Apts.	6	1	1947	870
Viceroy Mfg.▲	6½	1	1950	7,930

Corporation bonds	$4,797,289
Municipal	2,333,700
Provincial	4,821,131
Dominion	8,542,790
Total	$20,494,910

*4½% payable on bonds which are 6½% cumulative. †Payable if earned.

▲Redeemed Mar. 1, 1937. •Payment due Feb. 1, 1934.

Religious Order Plans New Issue of Bonds

From Our Own Correspondent

MONTREAL.—Comptoir Nationale de Placement Ltée. will shortly place on the market an issue of $366,000 3½% and 4% serial bonds of the Community "Petites Soeurs Franciscaines de Marie de Montreal." The bonds are dated May 1, 1937, and will mature serially on May 1, 1938 to 1954.

The bonds are legal investments for life insurance companies of Canada; they are secured by religious buildings valued approximately at $630,000.

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Guelph Kitchener Windsor Hamilton

Raises Wages by 10%

Canadian Western Lumber Co., Vancouver, has raised wages of some 1,300 employees at its Fraser Mills plant by 10% effective from March 1.

The increase raises the wage scale for labor to 50 cents an hour, it is stated.

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Britain's Biggest Baker

At 38, Garfield Weston Employs 5,000 Britishers in 15 Plants With Annual Turnover of More Than $15 Millions

In Toronto this week to attend the annual meeting of George Weston, Limited, was W. Garfield Weston, 38-year-old president of the company. Mr. Weston was on a visit from England where he went to live 18 months ago. His English baking and biscuit interests now exceed in magnitude the operations of George Weston, Ltd., in Canada and the United States.

Mr. Weston now makes his residence at Marlow on the Thames recently having purchased the country estate of the late Lord Devonport, renowned as food controller during the war, famous also as a baker and as creator of the world's most magnificent rock garden, to which Mr. Weston as purchaser of the property has fallen heir.

GARFIELD WESTON

Cavalcade Tells Story

Cavalcade, Britain's sprightly news magazine, devoted three pages recently to telling of Mr. Weston's rapid rise to the position of Britain's largest baker.

"A patriotic schoolmaster in Toronto went round his school in 1916, asked all boys over 17 to stand up, told them what a need there was for volunteers," begins Cavalcade's story. "There were 150, and within a week all had joined up.

"One of them, 18-year-old Willard Garfield Weston, son of a Toronto biscuit manufacturer, spent his leaves from France in an unusual way. He hopped over to England and went round bakery and biscuit factories.

"At 21 he went back home with two impressions: one, he must go back to England some time; two, English biscuits were good.

"When he was back he started low in his father's business, went through most departments. He was so keen and able that when he was 24 he was made vice-president of the business, next year was made manager. And the firm was making British-type biscuits.

Takes Charge

"When Garfield Weston was 26 his father died, and he was fitted to become general manager and president.

"The year before his father died the business made a profit of £5,000; under young Weston profits rose in two years to £17,000. Three years ago profits were £100,000, employees, 5,000.

"When he felt he had shown he could run a business he started to expand; at the age of 31 bought control of William Paterson, Brantford, Ontario, which had been manufacturing confectionery and biscuits since 1863.

"He was always a salesman—went out to sell his own products. Not often did he miss a big order, but when he did he had it traced, found that only three other men ever took big orders; he hired them.

Depression Experiences

"In 1929 came the world financial crash and everybody started to retrench. Weston, like the great little Scotsman Andrew Carnegie before him, decided a depression was the time to expand, when owners of companies were ready to sell and price of raw material was low.

"He knew Americans would like his British-type biscuits. But all his money was tied up in his Canadian companies.

"He saw his bank manager, who was a friend and a great believer in him, but the manager said, 'You are doing so well, why go out of Canada?'

"He thought: who, in a depression, would have plenty of money? His answer: the bears who had made money in the Wall Street slump.

"Off he went to New York to find out who the bears were, eventually managed to meet five of them, told them his story, and—led by one multimillionaire—they came in with him without even looking at his meticulously prepared plan and figures."

(Cavalcade does not mention the name of this multimillionaire. It was famous bear Ben Smith, now chairman of the Canadian company.)

The article about Mr. Weston proceeds:

Skill in Mergers

"Already he had a skill in mergers: when he took over a company he ran it separately until its earnings had increased and it was ready to join his family of first-class companies.

"He formed, in 1929, when he was 31, the George Weston Biscuit Co., with plant at Watertown, Massachusetts, and Passaic, New Jersey.

"In Canada was another company, George Weston, Bread & Cakes, Ltd., which had been spreading its wings at Garfield Weston's insistence, buying over Lawlor's Bread, Ltd., and Regal Bakeries: in 1931, Weston secured control of it.

"It was a dramatic year: he also obtained control of Independent Biscuit Co., of Calgary, Alberta, jointly with his company William Paterson, which he had operated separately.

"Several times on holiday he travelled over to England, realized more than ever that he ought to make biscuits in the world's largest biscuit market; noted, also, that in his view British bread was not as good as it might be.

Studying Britain

"At 35, he was full of energy, successful and, of course, self-confident. But he did not immediately breeze over to England and start a factory. He picked the man with the best analytical mind he knew, sent him back at the rate of £2,000 a year and expenses to make a thorough investigation of the biscuit business in the British Isles.

"That man produced after many months a report more than an inch thick which gave every fact about the British biscuit industry, gave, also, facts about public's likes and dislikes obtained by the research department of an advertising agency.

"Garfield Weston had a big map made of the British Isles, showing on it all the 92 biscuit manufacturing concerns, indicating in colored ink which were the large and competent firms, the middle firms, and small firms.

"Looking at that map made Garfield Weston think of the motor car industry in America . . .

Started at Aberdeen

"Garfield Weston saw that there were seven large biscuit firms in the British Isles, making first-class goods at a high price: McVitie and Price, Edinburgh, Manchester and London; Huntley and Palmer, Reading; Peek Frean, London; Jacob's, Dublin and Liverpool; MacFarlane Lang, Glasgow and London; Crawford's, Edinburgh and Manchester; Carr's, Carlisle.

"But an amazing fact to his mind was that these seven leading firms together did not do 60% of the biscuit business of the British Isles.

"The map hung in his Toronto office weeks before he finally decided to move. Top name on the map, because it was farthest north, was Mitchell & Muil, Ltd., Aberdeen. Its products were known and trusted. Weston bought the company, feeling that if he could make good in Scotland he could make good anywhere in the British Isles.

Test-tube Experiment

"Running this company was to be a test-tube experiment. The plant was not modern—and one of the reasons for his success is cutting cost by using the latest equipment. He transferred the business to Edinburgh, put up there one of the most modern plants in the Kingdom.

"The investigations made for Mr. Weston had shown that there were several types of biscuits in Britain: 6d. a lb., 8d. to 10d., a lb. some at 1s. and some at 1s. 2d., and higher.

"Weston set out to be the Ford of the biscuit world. By labor-saving he meant to produce the 1s. biscuit for 6d.

"He did—even his competitors admitted that.

"After another year he put up a modern factory at Slough Trading Estate, Buckinghamshire, three-quarters of an hour's run from London.

"Three months ago he started a biscuit factory in Belfast (where he also owns Stewart's Cash Stores and bakery).

Baking Britain's Bread

"Side by side with his thought about biscuits, Garfield Weston was thinking about bread. And for Britain's bread he had a great plan.

"Seventy-five per cent of the bread eaten by the people of the United States is supplied by four great chains. The British Isles are much more compact than the United States: why could he not make bread for the British Isles?

"There was even a bigger idea at the back of his fair-haired head. Canada produces the best wheat in the world. Yet it cannot always sell it. Three years ago 225 million bushels of wheat were held by the Canadian Government's Wheat Pool to relieve farmers of their wheat, hold it if necessary for a better market.

"Now here was a logical way to sell Canada's wheat, thought Garfield Weston. Business is more direct than trade pacts. Sell direct to the Briton's stomach. Develop the bread industry of Britain and you sell your wheat. That would be a good turn for Britain, for the more Canadian wheat there is in bread, the better is the bread.

Beatty Gives Blessing

"Garfield Weston set his ideas on paper, took them to the man he considered the best businessman in Canada—Edward Wentworth Beatty, rugged president of the Canadian Pacific Railway. Beatty asked for a few weeks to study the plan, then pronounced it the best solution he had ever seen of Canada's wheat problem.

"Over in Britain Garfield Weston saw financial and business heads. On both sides of the Atlantic businessmen said the scheme was good."

(Cavalcade is not quite accurate there. Mr. Weston interviewed several high business leaders in Canada. Most of them smiled at him and told him that his plans were crazy. But Mr. Weston knows when to take advice and when to reject it. Usually if it runs counter to what he believes himself he rejects it.)

Cavalcade continues:

"The idea was not to get Government aid, but to run a business with an ideal behind it. And that, according to the young biscuit and bread maker, was the only kind of business worth while.

Buying Bakeries

"British men of finance gave their support, Weston began to buy up bakeries.

"Now he is a wizard at buying. He does not just buy a record of past profits. He does not even buy a good product. He buys men.

"First of all he looks at the management of a company, and it has to be progressive and good. The head man may not be young, his mature experience allied to a progressive brain is what Weston needs to harness to his rocket enthusiasm.

"The first bread company in Britain he bought was Smith's, of Edinburgh, for £90,000.

"Eventually he built up Allied Bakeries, an amalgamation of the best companies he could buy in their areas under the ablest management. The men running the businesses are always kept.

"Last week Weston completed his largest deal so far, the purchase of the most powerful ably managed baking business in the Lancashire area, which already has two of the finest plants in the Kingdom.

"This company makes a branded bread, and this bread Weston intends to make famous and send, neatly wrapped in wax paper, into homes throughout the British Isles.

A Born Salesman

"In three years, the young Canadian has made himself the largest buyer of flour and other baking materials under one capital, after the Co-operative Wholesale Society, in Great Britain.

"He would pass in a tube train for what he is, a salesman. His hair is brushed back from an intelligent but not domed brow. His nose looks as though he had played rugby—and he has, through boxing, broken it. His mouth is like Charles Laughton's though never sardonic. His eyes are bright and alive and so is his whole being.

"Everybody who meets him in business finds a new phrase for him to add to the present collection, such as 'Dynamite,' 'Mustard and vinegar.'

"Wherever he is he makes things hum. But he has no pose and is no man of mystery. He has great sincerity; the chief quality he demands from a man is that he shall work enthusiastically with him. He is as open as would be expected of a man of 38 whose only interest outside his business is his family.

Family in Oils

"That family was painted by Ethel Everett. Last summer, Garfield Weston went to the Royal Academy, stood by the picture as women came up, gazed in astonishment, counted up the children and cried, 'Seven!'"

There is a story about the painting that Cavalcade missed. One elderly English baker took his wife to the Academy show. She stopped to look at the picture, then looked up the name. She asked her husband if he knew any Canadians by the name of Weston. He thought a moment and said "By Jove, there was a young man named Weston around to buy my business." He looked at Mrs. Weston and the seven children and thought for a moment. The next morning he called up Garfield Weston and sold him his business.

New English Home

"Although Weston goes over to Canada and the States to other branches of his business, he has made England his home," says Cavalcade. "He has bought a house at Marlow, on the bank of the Thames, romps with his children on the horses, ponies and couple of donkeys, tells them stories. For at 38, Garfield Weston is a rich man.

"Allied Bakeries was formed a little more than a year ago with a nominal capital of £1,000,000. The market value today is £1,531,000. The actual value of Weston companies' interests in the British Isles after 2½ years is about £2,500,000. Garfield Weston employs 5,000 people in Britain, manufacturing bread, biscuits, confectionery in 15 plants owned by 15 companies, with an annual turnover more than £3,000,000.

Capital Increase

"Shareholders collected at Winchester House, in the City of London, at 12 noon on Friday this week, to an extraordinary meeting, to hear Garfield Weston tell them of the proposal to increase the share capital from £1,000,000 to £1,750,000.

"Already the shares had been placed. Part of the new money will go to buying of the new Lancashire company and the remainder will be held for future development.

"And 'future development' is no formal phrase to Dynamic Weston, the young Canadian who is already Britain's biggest baker."

Income Tax Problems

Please let me know the maximum discount allowed for depreciation on inventories. We stock fancy lines which depreciate very fast when carried from one season to the other.

Although inventory, valued at cost or market value (whichever is lower), is required as a basis for arriving at gross trading profits and consequently for income tax purposes, there is no allowance, discount or other consideration given by taxing authorities to inventory itself. Consequently no depreciation on inventory, as such, is involved in making out income tax returns.

The practice in connection with inventories of incorporated companies is that taxing authorities allow a basis of inventory on either cost or market value, the company being able to choose which of these it will report but specifying on which basis inventory return is made.

From this basis, and after calculating purchasing costs and sales the gross profit is reached and the usual tax of 15% imposed on profits for the year.

Although the question of inventory depreciation apparently receives no consideration from taxing authorities, in effect it is allowed by the choice of cost or market value basis. In lines of merchandise where depreciation is heavy for carry-over goods at the close of a season, the market value of the goods at inventory time may obviously be lower than cost and therefore is used as an inventory basis for tax purposes. Conversely, if a rise in market prices carries values above cost levels, the lower cost figure may still be used and depreciated values incorporated, by this means, in the figures used for reporting inventory to taxing authorities. In either instance no allowance for depreciation, as such, is made, but the basis is obviously an equitable one.

If the fiscal year of a company ends in midsummer, and its books close at that time because of seasonal trade factors, the inventory basis, cost or market value, is used for purposes of determining profits on which income tax is levied. Again the advantage, for seasonal business enterprises lies in the fact that market values of inventory at the end of a season may conceivably be the lowest of the year and the company consequently benefits.

Trinidad Electric Settles Affairs

Control Passes to City on July 1 After Lengthy Negotiations

From Our Own Correspondent

MONTREAL.—Formal transfer of the Trinidad Electric Co. to the Municipality of Port of Spain has been set for July 1. An electricity board will replace the present board of directors, but the management will not be changed for the present.

When the company's franchise expired several years ago, the city exercised its right to acquire the property. Difference of opinion arose as to valuation and eventually the matter was submitted to the Privy Council for decision.

In its judgment, the Privy Council directed the Supreme Court of Trinidad and Tobago to find that the board of arbitrators appointed to fix a fair price for the company's property in its award of June, 1935, had not misdirected itself in law except as regards the sum of $69,369 awarded by it under the headings of customs duties.

Their Lordships decided that the sum of $25,061 would be substituted for this figure, with the result of reducing the total sum involved from $1,559,543 to $1,515,235.

Our Statistical Department is organized to provide up-to-the-minute information on all Canadian Securities, and its facilities are available at all times to clients and friends.

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Bravery Awards Given to Miners

What the Victoria Cross is to the army, the bravery award made annually by the Canadian Institute of Mining and Metallurgy is to the mining profession. This year's award was made at the conference in Montreal to three men, who, at risk to their own lives, dragged a blast-blinded fellow worker to safety. They are John Leja, Charles P. O'Dale and James Clark, all employees of Lake Shore Mines.

Foreign Trade

Weekly foreign trade news summarized by Commerce Reports, Washington, to Mar. 13:

Argentina — Agricultural conditions continue excellent, and credits and collections are generally satisfactory, but trend of business has become seasonally quieter.

Brazil—A slight decline in commercial and industrial activities developed during February, merchandising especially showing sensitiveness.

Uruguay—Wool exports have been above those of previous wool season, and markets for other products except meat are about normal for this time of year.

Peru — Sales volume improved slightly during February, as compared with January, although seasonal slackening occured in some retail lines.

Ecuador—The upturn in business, noticeable during January, failed to be maintained in February, owing in large part to less favorable conditions in cacao trade.

Honduras—Uncertainty and reduced purchasing power in some regions has greatly depressed sales activities since the beginning of the year.

Cuba—A nervous sentiment developed over reports of sugar tax proposal in the United States, but generally business has moved upward in the interior with progress of sugar grinding.

Jamaica — Larger banana shipments, commencement of sugar grinding, and satisfactory tourist trade have combined to keep business on the island buoyed up.

France — Industry and trade in January maintained the high level of activity reached in December and a definite increase in purchasing power is in prospect.

Italy — Industry has been well sustained, foreign tourists are numerous, and exports remain active.

Greece — November, 1936, foreign trade showed improvement over earlier months.

Jugoslavia — Foreign trade turnover was larger in November than a year earlier.

Egypt—Exports in December, 1936, were much larger than in 1935, but trade for the full year shows a decline.

British Malaya—Business continues to be stimulated by better trading conditions and growing confidence.

Japan — Business sentiment has improved, owing to the more favorable reception of Government financial and economic measures and to the announcement of the intention to maintain yen stability.

China—Foreign trade in January increased over the corresponding month of last year and a favorable trade balance was maintained.

India — Economic recovery has gained momentum, owing to better commodity prices, improved exports, stronger domestic demand for raw materials, and other factors.

Canada Leads In U.K. Trade

Britishers Show Canadian Exports Up 50% in 1936

Canada easily occupies first place among countries in the Empire in exports to the United Kingdom, with Australia in second position and India third. Last year, total value of these exports as compiled by British sources amounted to £75 millions. This was an increase of almost 50% over 1935 in money values.

On the other side of the same figures, however, that is imports from United Kingdom, Canada only occupied fourth position, well behind the Union of South Africa, India and Australia. This is the unfavorable balance of trade that the United Kingdom has tried to rectify in the recent trade agreement with this country. In regard to any further concessions Canada may hope to obtain from the United Kingdom or the maintenance of those already obtained, it is important to note the very considerable imports of British goods by the other Dominions mentioned and also by some countries outside the Empire.

Details of this British trade by Empire countries and by foreign countries are given in the following tables:

United Kingdom Trade
(In millions of pounds)

	Imports 1936	Imports 1935	Exports 1936	Exports 1935
	£	£	£	£
With Empire Countries	333	285	217	204
With Foreign Countries	516	471	224	221

PRINCIPAL SOURCES
Empire
British Countries
(Millions of £)

Country:	Imports from 1936	Imports from 1935	Exports to 1936	Exports to 1935
Australia	61.4	54.3	32.3	29.4
Canada	75.0	56.0	23.3	21.4
Ceylon	10.1	10.0	3.2	3.2
India	51.9	41.2	34.1	37.8
Irish Fr. State	20.4	18.8	21.0	20.2
Malaya	7.0	10.9	8.4	7.4
Newfoundland	2.3	2.2	1.1	0.9
New Zealand	43.7	38.1	17.3	13.4
Rhodesia	5.2	4.1	2.3	2.7
U. of S. Africa	13.5	13.7	37.5	33.6
West Africa	10.3	8.2	11.4	9.3
West Indies	8.1	7.1	5.2	5.0

Foreign

Country:	Imports from 1936	Imports from 1935	Exports to 1936	Exports to 1935
Argentina	45.1	44.0	15.3	15.3
Belgium	18.7	15.5	9.5	8.7
Brazil	9.9	7.2	4.8	4.9
Chile	5.2	5.2	1.7	2.1
China	7.6	6.3	5.8	5.0
Czechoslovakia	5.8	4.3	1.8	1.4
Cuba	5.3	3.8	1.0	0.9
Denmark	33.2	32.0	14.9	13.8
Egypt	13.6	12.7	7.8	7.6
Finland	18.2	14.9	4.2	4.2
France	25.7	21.6	17.8	16.7
Germany	33.0	30.1	19.0	18.9
Iran	7.7	7.4	2.7	2.7
Italy	2.7	7.9	0.5	6.8
Japan	9.8	8.3	3.6	4.3
Netherlands	25.1	23.1	12.4	11.7
Neth. W. Inds.	12.6	9.8	0.4	0.3
Norway	9.0	8.2	7.1	6.6
Poland	9.9	7.3	4.9	3.8
Roumania	6.3	3.2	1.1	1.2
Spain	10.7	11.1	2.9	5.3
Sweden	20.6	17.0	10.3	9.7
Switzerland	6.2	5.4	3.9	4.1
U.S.A.	93.3	87.5	27.6	22.9
U.S.S.R.	18.9	21.8	3.5	3.5

Invisible exports in the form of tourist traffic and receipts from ocean tonnage on trade both ways, the bulk of both the imports and exports to Great Britain being carried in British ships, will go far to offset the apparently very unfavorable trade balance of the United Kingdom. This is also partly offset by a considerable business in re-export. Many shipments to the United Kingdom are entirely or partially re-exported to other countries, sometimes after manufacture and sometimes in smaller lots.

A New Supplement on —

Unlisted Mines

— is now included in The Financial Post Mines Service

What Users Say

Subscribers are unanimous as to the value of this new feature. A few comments are:

"We think this new feature is a splendid idea and are certain it will prove very valuable and useful to us in rendering service to our clients."

"We feel sure it will prove to be useful and fill a long felt want . . ."

"We think you are to be commended on this addition to your service."

"We appreciate very much the addition of this feature to your Service, and feel sure that it will be of great usefulness to us, as well as to our clients."

"I like very much your new feature 'Brief Surveys of Leading Unlisted Mines'."

In addition to the regular service, subscribers to The Financial Post Mines Service now receive, without extra charge, a new supplement which greatly extends the coverage of Unlisted Mines.

Progress reports on developments under way, diamond drill results, option agreements, etc., are briefly and concisely covered, to the end that clients' enquiries for the current operating position of regularly quoted unlisted mines may be readily answered.

This new supplement is issued once a week. Each issue is cumulative and completely replaces the previous issue.

The Financial Post Mines Service has long been recognized by mining brokers and mining men as the most complete and authoritative source of information on mining companies — both listed and unlisted. This new feature further extends the superior coverage of the Service.

The Mines Service now brings you complete analyses of hundreds of companies, a daily news service, the new unlisted supplement and a dividend service. The cost of the Service, $7.50 a month, includes all these features.

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What's What in Advertising

We understand Jack Smillie has recently been appointed advertising manager of "Top Hat," a new publication which will make its debut in the near future. Mr. Smillie was formerly with Consolidated Press.

• • •

The Toronto office of Hutchins Advertising Co., recently established, will conduct a campaign on car radios for Philco Products, Ltd. The medium will be newspapers from coast to coast featuring, for the most part, the new model. A feature of this campaign will be the regularity in its schedule, an important factor in any advertising campaign.

• • •

Canadian Industries Limited have just released plans for 1937 advertising of C.I.L. "Cellophane." The bulk of this space will be concentrated on the consumer campaign, using Maclean's and Canadian Home Journal, although trade paper advertising will continue to play an important part. Full-page advertisements are to be placed in 14 different trade journals, covering the industries which are now using "Cellophane." The direct mail campaign will follow much the same lines as in the past. An additional feature to the campaign this year will be promotion directed to sales executives, advertising managers and advertising agency executives. J. Walter Thompson Ltd., Montreal, will create and place all publication advertising.

• • •

Robin Hood Flour, whose advertising is prepared and handled by the James Fisher Co. Ltd., Montreal, is commencing a campaign which will, for the most part, run in farm papers.

• • •

International Business Machines Co. Ltd. is again making its appearance in trade papers after an absence of some time. Effort will be concentrated on time recorders directed to large manufacturing firms. Thornton Purkis, Ltd., Toronto, directs the account.

• • •

General unrest in the automotive industry has held back spring campaigns usually run at this time in trade papers. However, we notice Nash using space consistently, not only in trade papers, but four-color ads. for the consumer market. General Motors are now making up for lost time. The parts manufacturers are going ahead in trade papers using increased space in an effort to get after spring business among garagemen. Notable new names and campaigns in trade papers are McQuay-Norris Piston Rings, Quaker State Oil Refining Co., Bendix Power Braking, and Hastings Piston Rings.

• • •

E. G. Skirrow, advertising manager of Dunlop Tire & Rubber Goods Co. Ltd., have released plans of their 1937 advertising campaign. A considerably wider list of newspapers, magazines and trade papers will be used to carry messages to their respective markets. Products being advertised are tires, "Dunlopillo" cushioning, golf balls, tennis and badminton supplies and mechanical rubber goods. Vickers and Benson Ltd., Toronto, handle the account.

ANGLO-NORWEGIAN HOLDINGS LIMITED

Improved Results During 1936

Major-General Dawnay's Review

The Annual General Meeting of Anglo-Norwegian Holdings Limited was held on Tuesday, March 16th, in Montreal. Following is the address of the President, Major-General Guy P. Dawnay, C.B., C.M.G., D.S.O., M.V.O., which was read to the shareholders:

You will observe from the Accounts before you, which I will take as read, that the results of last year's operations show a considerable improvement on those for the previous year. The explanations relating to this improvement are given in the Directors' Report which is before you.

The income of your Company from dividends received during the year amounted to $226,547, an increase of $51,623 as compared with the previous year. The Interest Receivable, at $349, shows a reduction of $3,624 compared with the corresponding period.

Turning to the other side of the account, the Expenses were $15,217. This represents an increase of $2,007 as compared with last year. In the Surplus Account you will observe that 1,190 Preferred Shares were redeemed at a cost of $94,354.

During the year two half year's dividends, each of $3½ per share, were paid on the Preferred Shares, bringing the payments up to the end of 1933, and this absorbed $85,085. No payments were made in the corresponding period last year, and there now remain three years' arrears to be dealt with. The result, after payment of the above dividends, is that the balance of the Earned Surplus Account is now $392,084 compared with $359,843 last year.

Turning now to the Balance Sheet, the Investments have been increased by the acquisition of further 55,350 shares of the Anglo-Norse Company, bringing the holding in that Company to 170,219 shares, out of a total issued capital of 172,007 shares. By this acquisition, the proportion available for this Company of the proceeds of the operating Company (the Star Whaling Co. Ltd.) will be considerably increased. The cost of the shares to the Company was £70,000, of which £15,000 has been paid and the remainder is payable by yearly instalments of £15,000 or less. Your Directors are of the opinion that this was a satisfactory and advantageous purchase.

On the Liabilities side the purchase of the Preferred Shares for redemption has reduced the number of Preferred Shares outstanding to 12,780; out of a total of 20,000 shares issued, 7,220 have now been redeemed. The purchase of the additional Preferred Shares enabled the Company to add $202,000 to Reserve, which now stands at $681,814, in addition to the Earned Surplus before referred to.

The catch of the two operating Companies, the Star Whaling Co. Ltd., and the Falkland Whaling Co. Ltd., is now known. It is approximately 22,000 tons, or about the same quantity of oil as was caught during the rather longer season last year by the Star Whaling Company's fleet alone. This result is due, first, to the shorter season; and secondly, to the fact that weather conditions were very much worse than in the previous season. There is no evidence of any serious diminution in the number of whales available, and the Directors are satisfied both as regards personnel and material that the expeditions in which the Company is interested are well equipped.

Against the combination of circumstances resulting in a comparatively moderate catch, the sale price of the oil will be much higher this year; on the other hand, there will be extra costs for crews' wages and for fuel oil, and the consequential extra cost per ton of oil arising out of the shorter period of operations.

I regret to say that the Board is not able, in time for the Annual Meeting, to make good its intention to put before you its proposals for dealing with the arrears of dividend on the Preferred Shares, and the depreciation in the value of the Company's investments; but as stated in the Directors' Report, as soon as the profit available from the current season's operations is ascertained, the Directors will complete their proposals, of which you will be fully advised by circular and by notice in the Press.

ANGLO-NORWEGIAN HOLDINGS LIMITED

Balance Sheet, as at 31st December, 1936.

ASSETS

Current Assets:	
Cash at Banks	$ 34,784.60
Accounts Receivable	347.57
Amount Receivable from Subsidiary Company	59,623.94
	94,756.11
Investments at Cost	3,561,558.98
Tonsbergs Hvalfangeri A/S: 1,500 Shares of Kr. 1,000 each.	
Anglo-Norse Co., Ltd.: 170,219 Shares of £1 each.	
Falkland Whaling Co., Ltd.: 150,000 Shares of £1 each.	
Star Whaling Co., Ltd.: 29,940 Shares of £1 each.	

Notes: 1. During the year the subsidiary and associated Companies represented by the Investments made profits, but in the case of the Falkland Whaling Company Ltd. no depreciation has been provided for the five years ended 30th June, 1936. The Auditors' certificates of the two Subsidiary Companies contain qualifications as to the value of investments.

2. Current Assets have been converted at the rate of exchange ruling at the date of the Balance Sheet.

3. There is a Contingent Liability under a guarantee in respect of advances which may be made to a Subsidiary Company by its Bankers of an amount not exceeding £80,000.

	$3,656,315.09

LIABILITIES

Current Liabilities:		
Accounts Payable	$ 9,503.70	
Amount due to Subsidiary Company	269,912.50	
		$ 279,416.20
Capital Stock:		
7% Cumulative Preferred Shares of $100.00 each:		
Issued: 20,000 Shares	2,000,000.00	
Less: 8,410 Shares Redeemed	841,000.00	
	1,159,000.00	
Common Shares of No Par Value:		
Issued 420,000 Shares	1,025,000.00	
		2,184,000.00
Reserve:		
Brought Forward	681,814.50	
Added this year	119,000.00	
		800,814.50
Earned Surplus:		
Brought Forward	359,843.30	
Surplus, Year ended 31st December, 1936	32,241.09	
		392,084.39
Note. Preferred Stock Dividend in arrear since 31st December, 1933	$ 243,390.00	
		$3,656,315.09

G. P. DAWNAY
FRANK B. COMMON } Directors.

AUDITORS' REPORT

We have examined the books and accounts of the Anglo-Norwegian Holdings Ltd. for the year ended 31st December, 1936. In accordance with the provisions of the Companies Act, Quebec, we have to report that we have obtained all the information and explanations we have required. No provision has been made for the depreciation of Investments. Subject thereto, in our opinion, the above Balance Sheet as at 31st December, 1936, is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and explanations given to us and as shown by the books of the Company.

PEAT, MARWICK, MITCHELL & CO.,
Chartered Accountants, Auditors.

Montreal, 19th February, 1937.

STOCK AND BOND MARKET QUOTATIONS

Montreal, Toronto, Curb

The following table is confined to official prices for listed stocks. Where no recent transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING MARCH 15

Range 1937 High	Low	Div R'te $	Mar13 Y'ld %	Company	Sales	Last Mar. 8	Week end. Mar. 15 H	L	Cl'se
				A					
10¼	6¼	.	...	Abitibi	19388	8½	9	8	8¾
57	41½	.	...	Do. pref. 6%	18148	48¾	55½	47½	54
85	60	.	...	Do. pref. 7%	29	75	77	73	73
56	41	.	...	Do. cert. dep.	825	48½	53	48	53
6⅞	5	10c	...	Acadia Sugar	225	6¼	6¼	6	6¼
18½	15	50c	3.3	Acme Glove	....	(10 bid 13 asked)			
94	90	6.50	7.2	Do. pref.	....	(— bid 90 asked)			
12	8½	40c	4.2	Agnew Surp.	195	9	9½	9	9½
110	107	7	6.5	Do. pref.	10	108	108	108	108
7	4½	.	...	Alta. Pac. Gr.	615	5½	5⅞	5	5
43½	28	.	...	Do. pref.	100	33	34	31½	31½
129	116	.	...	Aluminum	1155	(116 Jan. 7)			
6¼	5	.	...	Amal. Electric	60	6	6	6	6
31	29	.	...	Do. pref.	....	(26 bid — asked)			
35⅞	33½	60+40c	..	Amer. Cyn. B.	....	(33 bid 40 asked)			
55	53	3.50	6.3	Ang. C. Tel. p.	40	54½	55	55	55
112	93	.	...	Asbestos	1813	108½	108	103	104
16	11	80c	...	Assoc. Brew.	1095	15	16	15	15½
110½	106	7	6.5	Do. pref.	2	107½	106	106	106
†8½	7½		...	Assoc. T. & T.A.	....	(— bid 8 asked)			
55	54	42c	...	Do. pref.	....	(55 bid 55 asked)			
102½	100½	.	...	Ault & Wiborg p	....	(— bid 102½ asked)			
				B					
60	57	2.25	3.9	Bank of Canada	268	58	59	58	59
155½	143	8	5.1	Bk. Can. Nat.	33	155	155	154	154
245	219	8	3.3	Bk. Montreal	224	237½	237	231	233
340	312	12	3.5	Bk. N. Scotia	175	337	340	335	337
273	260	10	3.7	Bk. Toronto	20	268	273	267	273
8	8	75c	...	Barcelona	20	8	8	8	8
20½	17½	.	...	Bathurst Pr.	8141	18½	18⅞	18	18½
8½	6⅞	.	...	Do. (B)	861	8½	8	7	7½
5⅞	3	.	...	Bawlf Grain	250	3½	3½	3½	3½
38	25	.	...	Do. pref.	21	25	28	25½	28
10	4⅞	.	...	Beath & Sons	....	(4⅞ bid 7 asked)			
21½	17½	.	...	Beatty Bros. A.	320	20	19½	18½	19
107	100	6	5.6	Do. pref.		106½	107	104½	104½
102	102	7	...	Do. pref. B	....	102½ bid 105 asked			
10	6½	.	...	Beauharnois	6706	8⅞	8⅞	7⅞	8
107	107	4	3.7	Belding Cort.	....	(107 Feb. 4)			
130	126	7	5.4	Do. pref.	....	(130 Jan. 31)			
178	159	6	3.6	Bell Telephone	1266	165	169	162	162½
16⅞	13½	.	...	Biltmore Hats	635	15	15⅞	13½	13½
110	109½	7	6.4	Do. pref.	....	(109 bid — asked)			
13	8½	.	...	Bissell, T. E.	....	(12 bid 15 asked)			
65	45	.	...	Do. pref.	5	65	55	55	55
6⅞	4	.	...	Blue Ribbon	....	(4 bid 5 asked)			
40	35	2	5.4	Do. pref.	155	37	38	36	37
29⅞	25⅞	65c	...	Brant. Cord. pr.	20	26½	26½	26½	26½
30½	18½	40c	...	Brazilian Tr.	32324	29½	29	26⅞	27⅞
9	6	1.40+10c.		Brew. & Distil.	1298	8	8⅞	8	8
4	2⅞	.	...	Brewing Corp.	1957	3½	3⅞	3½	3½
20⅞	14½	1.50	8.3	Do. pref.	795	19	19	17⅞	18
6	6	30c	5	Bright, T. G.	....	(6 Feb. 12)			
†82	75½	6	...	Do. pref.	....	(74 bid — asked)			
26½	22½	1	4	Brit. Amer. Oil	9900	25⅞	26	25½	25½
19⅞	16	.	...	B. C. Packers	1729	18½	19⅞	18½	19⅞
39½	37	1.80	4.7	B. C. Power A.	621	38½	38⅞	37	37½
11½	10	.	...	Do. (B)	770	10⅞	10½	10	10
12	7½	40c	4.4	Bruck S. Mills.	395	9	9½	9	9
74½	56½	1.40+50c.		Building Prod.	465	73	74	72½	73
8	6½	.	...	Burry Biscuit	325	7½	7	6½	6½
60	60	3	5	Do. pref.	....	(— bid 70 asked)			
44½	41½	2	4.6	Burt, F. N.	650	43	43½	42	42
				C					
105	105		...	Calgary Power.	....	(100 bid 105 asked)			
91½	79	6	6.5	Do. pref.	....	(90 bid — asked)			
10½	7½	.	...	Canada Bread	240	9	8½	8⅞	8⅞
103½	102½	5	4.8	Do. pref.	25	103½	103	103	103
59½	51½	62½c	..	Do. pref. B	800	58½	58½	58	58½
10½	8½	40c	...	Canada Bud	755	9½	10	9½	9½
20½	15½	.	...	Canada Cement	7274	19⅞	20½	18½	18½
111	100	1	...	Do. pref.	455	110	110	100	108
73½	67	1.50+2	..	C. & D. Sugar	185	73	73	72½	72½
b35⅞	27½	.	...	Canada Dry	59400	31⅞	35⅞	31⅞	35½
20⅞	16½	.	...	Can. Forg. (A)	85	16½	18	17½	17½
17	14	.	...	Do. (B)	30	14	14	14	14
30	30	.	...	Can. Iron	....	(31 bid — asked)			
70	66½	3	4.3	Do. pref.	1	66½	70	70	70
38	34	1.50+50	..	Can. Malting	1315	37½	38	37	38
29½	25½	1.20	4.4	Can. Nor. Pr.	473	26	27½	26½	27
112	109	7	6.3	Do. pref.	67	110	112	109½	111
98	86	3	3.2	Can. Packers	200	96	95	93½	93½
†118	105	.	...	Can. Paper, pf.	....	(112½ bid — asked)			
7	1⅞	.	...	Can. Paving, pf.	....	(2 bid 4½ asked)			
156	146	8	5.3	Can. Perman.	65	154	153	150	151
25	25	.	...	Can. Starch	....	(26 bid — asked)			
105	105	7	6.6	Do. pref.	4	95	105	105	105
4	2½	.	...	Can. Steamsh's	235	3½	3½	3	3½
6⅞	5½	.	...	Do. new	940	5⅞	6⅞	5⅞	5⅞
10	6⅞	.	...	Do. pref.	935	7⅞	8½	7½	7½
16½	16	.	...	Do. new, pf.	310	..	16½	16	16
21	19	1.20	6.2	Can. Vinegars	120	20	20	19⅞	19⅞
75	56	.	...	Can. W. Cable	65	72	75	72	75
30	19	.	...	Do. (B)	265	29	30	29	30
115	114	1.75▲	...	Do. pref.	....	(114 Feb. 15)			
6	5	.	...	Can. Bakeries	5	6	5	5	5
73	67	.	...	Do. pref.	10	69	68	68	68
211	183	8	3.9	Can. Bk. Com.	275	200½	204	199	203
61½	58	1+75c	...	Can. Bronze	455	60	60	59	60
110	105½	5	4.6	Do. pref.	56	108	108	108	108
9½	8	.	...	Can. Canners	245	8⅞	8⅞	8⅞	8⅞
20½	18⅞	25c	...	Do. 1st pfd.	160	19½	19½	18⅞	19
12½	10½	.	...	Do. 2nd pfd.	1100	10⅞	10⅞	10½	10⅞
21⅞	17	.	...	Can. Car & Fd'y	16388	19½	20⅞	18½	19
32	27⅞	.	...	Do. pref.	4987	29	31	29½	29½
31	24⅞	1.60	...	Can. Celanese	5725	28½	31	29½	29½
126	121	7	5.5	Do. pref.	65	121½	126	126	126
22	21	.	...	Do. Rights	160	21	22	21½	22
32	29	2	6.8	Can. Convert.	50	30	29	29	29
77	65½	4	5.2	Can. Cottons	300	75	77	75	77
108	105	6	5.7	Do. pref.	....	(105 bid — asked)			
47	43	2+1	6.8	Can. Dredge	205	46	46	43	43½
101	101	6	5.9	Can. Fairb. pf.	....	(101 bid — asked)			
33	26	1.60	5.3	Can. For. Inv.	580	31½	30½	28	28
107	107	8	7.5	Do. pref.	....	(105 bid — asked)			
240	240	6	2.5	Can. Gen. Elec.	....	(— bid 240 asked)			
11½	9⅞	50c	...	Can. G. Inv.	250	10⅞	10⅞	10⅞	10⅞
81½	72⅞	.	...	Can. Hyd. E. p.	988	75	76½	74	76½
8½	6	.	...	Can. Ind. Alc.	5090	6⅞	6⅞	6½	6½
7⅞	5	.	...	Do. (B)	1685	6⅞	6⅞	5⅞	6
249	240	3.50	...	Can. Indust. B.	....	(— bid 255 asked)			
5	3½	.	...	Can. Int. I. Tr.	40	5	4½	4½	4½
99	93	2.50	...	Do. pref.	10	99	99	99	99
21	19	1	5	Can. Lt. & Pr.	....	(— bid 20 asked)			
23½	17	.	...	Can. Locomo.	370	17½	19	18	18½
3⅞	1⅞	.	...	Can. Marconi	26580	2½	2½	1⅞	2
19	14	50c	3.3	Can. Oil	20	17	15	15	15
135	126	8	6.1	Do. pref.	25	130	130	130	130
17½	14½	.	...	Can. Pacific	19366	17	17	15	15⅞
7⅞	3	.	...	C. Pr. & Pa. In.	265	3	5	4	4
27½	18	.	...	Do. pref.	....	(20 bid 22½ asked)			
16	12⅞	.	...	Can. Vickers	1490	14	14⅞	13	13½
65	52	.	...	Do. pref.	180	52	55	54	55
25	25	1.25	...	C. Wallpaper A	....	(— bid 25 asked)			
27½	25	1.25	...	Do. (B)	....	(— bid 28 asked)			
†80½	64	2	...	Can. West'ho'se	....	(65 Dec. 5, '36)			
4	2½	.	...	Can. Wineries	95	2⅞	3	2⅞	2⅞
25	23	1.50	...	Can. Wire Box.	155	23½	23⅞	23½	23½
9½	7½	.	...	Capital Estates.	237	7⅞	7½	7½	7½
107	103	5	4.8	Carnation, pfd.	30	103	104½	103½	103½
11½	6⅞	25c	...	Catelli Food	75	8	9	9	9
11½	10	75c	...	Do. pref.	50	10½	11	11	11
†165	150	8	...	Cent. Can. L'n.	....	160½ bid 190 asked			
1.44	1.00	.	...	Chem. Research.	3700	1.20	1.12	1.00	1.00
1.80	1.25	.	...	City Gas & El.	25	1.50	1.50	1.50	1.50
.80	.40	.	...	Claude Neon	2860	.60	.70	.60	.65
14½	12½	1.08	7.7	Coast Brew.	196	13½	14½	13½	14½
22½	14½	.	...	Cockshutt Plow	3889	21⅞	21⅞	19⅞	20½
4	2½	.	...	Comm. Alcohol.	325	3	3	2⅞	2⅞
23	20½	$1+20c	..	Cons. Bakeries	430	21⅞	22	21½	21½
18⅞	10⅞	.	...	Cons. Paper	37436	17	18⅞	16⅞	17⅞
19½	12½	.	...	Cons. Press	90	18	18	18	18
60	47	.	...	Cons. Sand, pf.	....	(47 bid — asked)			
100½	74½	50c+$1	..	Cons. Smelters	31746	97⅞	100½	93	95
211	201	10	4.7	Consumers' Gas	116	206½	211	206⅞	210
95½	89	7	7.4	Corr. P. Box, p.	5	95½	95½	95½	95½
27½	24	80c	3.2	Cosmos Imp.	180	26½	26	25	25
105½	104½	5	4.7	Do. pref.	....	(105 bid — asked)			
22	18	80c	3.8	Crown Cork	200	21½	21	21	21
2½	1½	.	...	Crown Dom. Oil	....	(2 bid 2½ asked)			
50	43	7	...	Crow's N. Coal.	....	(47 bid 48⅞ asked)			
				D					
5⅞	4	.	...	David & Fre. A	....	(4 bid 5 asked)			
†1½	½	.	...	Do. (B)	....	(— bid 1 asked)			
22½	15	.	...	De Havilland	....	(— bid 19 asked)			
82	67	.	...	Do. pref.	....	(70 bid 75 asked)			
5	5	.	...	Disher Steel	....	(16½ bid 17½ asked)			
17½	15½	.	...	Do. pref.	20	16	16	16	16
28⅞	24⅞	.	...	Distill-Seagram	12805	25⅞	27⅞	24⅞	26⅞
94½	82½	1.25	...	Do. pref.	....	(— bid 99½ asked)			
..	..	.	...	Dom. Ang. Inv.	....	(100 bid — asked)			
..	..	5+1.25	..	Do. pref.	....	(91 bid — asked)			
250	234	10	4.1	Dom. Bank	2	242	242	242	242
57½	54	1.20	2.1	Dom. Bridge	4878	56½	57	55	56½
24	19⅞	1.50	6.5	Dom. Coal, pf.	4854	22⅞	24	22½	23
66	62	.	...	Dom. Engineer.	60	64	64	62	62
135	90	.	...	Dom. Foundries	115	120	135	120	135
118	110	5	4.3	Dom. Glass	295	118	117½	114	114
153	140	7	4.7	Do. pref.	15	140	147	140	147
10	10	.	...	Dom. Motors	150	..	10	10	10
43½	41	.	...	Dom. Oilcloth	....	(40 bid — asked)			
†102½	95	7	6.8	Dom. Rubber, p	....	(101 bid — asked)			
28⅞	12½	.	...	Dom. St. & C.B.	89189	27½	28½	24	25
12½	10	.	...	Dom. Stores	2610	12½	12½	10⅞	11
18½	15½	.	...	Dom. Tar & Ch.	2201	17	17	15⅞	15⅞
117	109	.	...	Do. pref.	310	111	111	110	111
82	73	5	6.1	Dom. Textile	275	80½	82	82	82
148	145	7	4.8	Do. pref.	5	148	145	145	145
17	13⅞	.	...	Donnacona P.A.	2526	15½	15⅞	14½	15
16½	13½	.	...	Do. (B)	1021	14⅞	15½	14⅞	14⅞
16	13½	.	...	Dryden Paper	1240	15½	15½	14⅞	15
				E					
7	2	.	...	East. Koot. Pr.	....	(— bid 6½ asked)			
36	14	.	...	Do. pref.	25	24	18	18	18
5	2⅞	.	...	East. Dairies	95	3⅞	3⅞	3	3½
30	17½	.	...	Do. pref.	14	21	20½	18	18
24	19	1	...	East. Steel	455	21	22	21	21
109	106	7	6.6	Do. pref.	....	(106 bid 109 asked)			
†85	72⅞	7	...	East. Theat., pf.	....	(— bid 80 asked)			
9½	4⅞	.	...	Easy Washing	155	8	7½	7½	7½
39	34	1	...	Economic Inv.	....	(39 bid — asked)			
24	20½	1.60+10c.		Electrolux	1352	21	21½	21	21½
8	5½	.	...	Enam. & Heat.	2230	6⅞	8	6½	8
37	30	.	...	English Electric	1006	34	35	34	35
16⅞	14	.	...	Do. (B)	120	15	14⅞	14½	14½
7	5½	.	...	Equitable Life.	25	6	6½	5½	5½
10½	9½	60c	...	European El. A.	50	9½	9½	9½	9½
.65	.65	.	...	Do. Warrants	....	(.65 Feb. 5)			
				F					
13	9	.	...	Fairchild Air.	1820	11	11	9⅞	10⅞
35	24	60c	...	Fam. Players	8	30	30½	30½	30½
34	30	60c	...	Do. Vot. Tr.	....	(30 bid 35 asked)			
24½	22	50+37½c.		Fanny Farmer	1635	23⅞	23⅞	23	23
29⅞	22½	1	3.8	Ford Motors A.	7215	26½	26⅞	25	25
2½	1½	.	...	For. Pr. Secs.	50	1⅞	1½	1½	1½
28½	24½	.	...	Foundation Co.	590	26	26	25	25
35½	29	.	...	Fraser Cos.	314	35½	34½	32	32⅞
36	29½	.	...	Do. Vot. Tr.	2831	34⅞	35	32⅞	33
52	45	.	...	Freiman, pf.	....	(48 bid 50 asked)			
11	6½	.	...	Frost Steel	85	8	7½	7½	7½
106½	100½	5.25	...	Do. pref.	30	104	106½	106	106½
48	48	.	...	Frost Steel, A p	16	..	48	48	48
				G					
18	8	.	...	Gen. St. Wares.	3170	17	17½	16	16½
110	76	.	...	Do. pref.	731	107	110	104½	107
92½	86	2.50+2.50		Goodyear Tire	260	91½	92	91	91
57	54	2.50	4.7	Do. pref.	415	55	56	53⅞	53⅞
17½	14⅞	.	...	Gt. Lakes Pap	622	17	17½	16½	16⅞
38½	34	.	...	Do. pref.	419	36½	36	34	34½
3½	2½	.	...	Gt. W. Saddlery	80	2⅞	2⅞	2½	2½
39	29½	.	...	Do. pref.	21	35	38	35	35
15½	7½	20c	...	Gurd, Chas.	410	13	13½	13	13
100	95	7	7	Do. pref.	....	(95 bid — asked)			
18½	14	.	...	Gypsum, Lime.	4870	17½	17⅞	16½	16½
				H					
18	12⅞	.	...	Ham. Bridge	4350	16⅞	18	15	17
85	63	.	...	Do. pref.	250	71	80	76	78
38½	30	2+50c	5.2	Ham. Cot., pf.	....	(35½ bid 38 asked)			
3⅞	2	.	...	Ham. U. Theat.	210	3	2	2	2
69	60	5	8.2	Do. pref.	25	61	61	61	61
7	5⅞	5c	...	Harding Carpet.	330	6½	6½	5½	5½
†9	1½	.	...	Hillcrest Coll.	....	(5 bid — asked)			
20	15	.	...	Do. pref.	....	(18 bid — asked)			
22½	20	1	4.5	Hinde & Dauch	1020	21⅞	22	21½	21⅞
18	14	.	...	Holt Renfrew	....	(16 bid — asked)			
61½	56	.	...	Do. pref.	....	(65 bid — asked)			
1.75	.60	.	...	Honey Dew	1031	1.00	1.25	1.00	1.25
15	12	.	...	Do. pref.	....	(14 bid 15 asked)			
26½	18½	.	...	H. Smith Pap.	3735	26½	26	22½	24½
105	100	3	...	Do. pref.	223	102	105	102	102½
32⅞	32	2	6.4	Humberstone S.	80	32	32	32	32
15	11⅞	.	...	Hunts (A)	89	12½	14	14	14
16	12	.	...	Do. (B)	5	12	14	14	14
90	72	5	5.6	Huron & E. Mt.	32	89	89	87⅞	87⅞
15½	11	.	...	Do. 20% pd.	138	15	15½	14½	15½
13½	8⅞	.	...	Hydro Electric	....	(10½ bid 11½ asked)			
				I					
251½	234	10	4	Imperial Bank	42	248	245	244	244
24⅞	21	50+75c	5.3	Imperial Oil	28132	24	24	23	23½
15½	13⅞	40+22½c	...	Imperial Tob.	7965	15	15½	14⅞	14½
7⅞	7	6%	...	Do. pref.	....	(7 bid — asked)			
35½	34	25c	...	Indust. Accept.	525	35½	35½	35	35
39½	37½	2	...	Inter-City Bak.	....	(— bid 39 asked)			
40	40	4+2	...	Inter'c Coal	15	45	40	40	40
130	130	8	...	Do. pref.	1	130	130	130	130
†.20	.20	1c	...	Int. Coal & C.	....	(.20 bid — asked)			
b16⅞	8⅞	.	...	Int. Hyd. E. A.	18300	14⅞	15½	13⅞	14
18½	15⅞	.	...	Int. Metal Ind.	2020	17½	17⅞	16⅞	17
100	90½	.	...	Do. pref.	170	98	100	98	100
105	100	5	4.8	Int. Mill., pf.	95	101	103½	102	102
73½	62½	2	2.8	Int. Nickel	30371	72	73½	70	71½
11	6½	.	...	Int. Paints	165	10½	10	9⅞	9⅞
20	19	75+25c	..	Do. pref.	25	19½	20	19	20
b21⅞	16½	.	...	Int. Pa. & P.A.	27400	18½	20⅞	17½	17½
b14½	10⅞	.	...	Do. (B)	27325	12½	14½	12½	12½
b7½	5⅞	.	...	Do. (C)	95100	6½	7½	6½	6⅞
b109⅞	90½	.	...	Do. pref.	41800	103	109⅞	101	102
39⅞	33⅞	1.50+1	6.7	Int. Pete.	11814	38½	38½	36⅞	37½
12½	5	.	...	Int. Power	340	9⅞	10	9⅞	10
98	90	6	6.4	Do. pref.	87	93½	94	93	93
†15½	13	1.12	...	Int. St. Rly. A.	....	(— bid 13 asked)			
21½	15⅞	.	...	Int. Util. (A)	310	19	18½	17	17
3½	1⅞	.	...	Do. (B)	6675	2⅞	2⅞	2	2½
				J					
36½	35	1.75	...	Jam. Pub. Ser.	215	36	36	34½	34½
132	131	7	5.3	Do. pref.	....	(130½ bid — asked)			
				K					
39	30½	1.25	...	Kelvinator	140	36	35½	34⅞	35½
108	106½	7	6.5	Do. pref.	10	108	106½	106½	106½
				L					
43½	36½	.	...	Lake of Woods.	1045	39	40	38	39
156	150	7	4.5	Do. pref.	42	155	156	155	155
70	55½	5	7.2	Landed Bank	....	(70 bid 86 asked)			
22	15½	70c	...	Lang, J. A.	825	21½	22	20½	21
6	4½	.	...	Langley's	....	(— bid 6 asked)			
65	55	.	...	Do. pref.	20	60	58	58	58
77	72	3	4.1	Laura Secord	125	75	72	70	70½
15	8	.	...	Lindsay, C. W.	100	14⅞	13½	13½	13½
78	70	.	...	Do. pref.	10	78	72	72	72
25	23½	1	4.2	Loblaw (A)	1305	23⅞	23⅞	23	23⅞
23⅞	21	1	4.4	Do. (B)	580	22⅞	22⅞	22½	22⅞
				M					
†10½	2⅞	.	...	MacKin. Steel	....	(6 bid 11 asked)			
64	60	.	...	Do. pref.	....	(60 bid 63 asked)			
37½	28	.	...	Maclaren Pr. pr.	426	31½	31	28⅞	29
.25	.25	.	...	M. L. Gardens.	....	(2 bid — asked)			
5	2½	.	...	Do. pref.	20	5	5	5	5
11	6½	.	...	Maple Leaf	1955	9½	10	9	9⅞
12⅞	9	.	...	Do. pref.	135	10	10½	9	9½
17	17	60+10c	..	Maritime Tele.	....	(17½ bid — asked)			
†15	15	70c	...	Do. pref.	....	(17 bid — asked)			
†18	13	.	...	Marcus Loew's.	....	(— bid 20 asked)			
125	125	7	5.6	Do. pref.	....	(115 bid — asked)			
14⅞	8½	.	...	Massey-Harris	14410	13½	14	13	14
74	52½	.	...	Do. pref.	2515	70	71	68½	71
15	13	80c	6	McColl Fron.	4373	14½	14⅞	13½	14
100⅞	99	6	6	Do. pref.	621	99⅞	100⅞	99½	99⅞
8	4	.	...	Melchers, new	197	4⅞	4½	4	4
9½	8	.	...	Do. pref.	1071	8½	8⅞	8	8
2	2	.	...	Mercury Mills	....	(— bid 10 asked)			
32	22	.	...	Do. pref.	40	25	22	22	22
50	49	2	...	Mitchell, J. S.	....	(50 bid — asked)			
†110	110	7	...	Do. pref.	....	(109½ bid — asked)			
30	21½	.	...	Mitchell, Robt.	1880	26½	26½	25	25
5½	5	.	...	Monarch Knit.	....	(5½ bid — asked)			
86	83½	7	8.3	Do. pref.	....	(— bid 73 asked)			
46	36	50c	...	Montreal Cot.	35	45	46	45	46
110	105	7	6.4	Do. pref.	17	108	108	108	108
1	1	.	...	Mont. Is. Pr.	....	(1½ bid 4 asked)			
37½	30½	1.50	4.7	Mont. L. & Pr.	10687	31	32	30½	31⅞
31	28	2	6.4	Montreal Loan.	18	31	31	31	31
15½	13	1	...	Mtl. Ref. & S. P.	....	(15⅞ bid — asked)			
1½	1⅞	.	...	Do. Vot. Tr.	....	(1½ bid — asked)			
65	58	3.20	5.3	Montreal Tele.	171	60½	60	58	60
102	91½	9	8.8	Montreal Trams	215	102	102	99½	99½
45	43	1.60	3.6	Moore Corp.	723	44	44½	43⅞	43⅞
188	180	7	3.7	Do. pref. (A)	36	187	185	183	185
267	258	7	2.6	Do. pref. (B)	....	(265 Mar. 3)			
1½	1	.	...	Muirheads	100	1½	1½	1½	1½
5	5	.	...	Do. pref.	....	(5½ bid — asked)			
				N					
42½	39⅞	2	4.8	Nat. Breweries.	2974	40	42	41	41
43½	41½	1.75	4.1	Do. pref.	120	43	42½	41½	42½
9½	8⅞	.	...	Nat. Grocers	4990	9	11	9½	10½
139	137	7	5	Do. pref.	10	138½	139	139	139
21½	19½	.	...	N. Sew. Pipe, A	170	21	20⅞	20⅞	20⅞
57½	50½	.	...	Nat. Steel Car.	2751	55	55	52	52⅞
210	201	8	3.9	National Tr.	1	207½	207½	207½	207½
54	44	90c	...	Niag. W. Weav.	240	48	48	46	47
4	2½	.	...	North Star Oil.	200	2⅞	2½	2½	2½
4⅞	4½	8⅞c▲	..	Do. pref.	480	4⅞	4½	4⅞	4½
†93	61	5	...	N. S. L. & Pr.	....	(97½ bid 100 asked)			
97½	97½	6	6.2	Do. pref.	....	(103 bid 105 asked)			
37	9½	.	...	N. S. Steel, pf.	35	26	25	25	25
				O					
300	245	8	2.7	Ogilvie Flour	58	295	300	290	290
168	160	7	4.4	Do. pref.	50	168	160	160	160
110½	106	5	4.5	Ontario Loan	....	(110 bid 112 asked)			
7½	7	.	...	Ont. Silknit	....	(7 bid 8 asked)			
†90	75	7	..	Do. pref.	....	(— bid 75 asked)			
18⅞	15	.	...	Ont. Steel	165	17	17	17	17
114	114	3.50	...	Do. pref.	....	(105 bid — asked)			
3½	2	.	...	Orange Crush	40	3	3	3	3
7½	6½	.	...	Do. pref.	....	(6½ bid 7 asked)			
100	93½	6	6.4	Ott. L. H. & Pr.	70	97	96	93½	93½
105	103	5	4.8	Do. pref.	10	103	104	104	104
20½	19½	2	9.7	Ott. Traction	20	20½	20½	20½	20½
				P					
109½	98	1.75+25c.		Page Hersey	815	103½	109½	103½	105
9⅞	6⅞	.	...	Pantepec Oil	1680	7	7½	6⅞	6⅞
20	20	.	...	Paton Mfg.	....	(20 Jan. 26)			
†110	110	7	...	Do. pref.	....	(111 bid — asked)			
63⅞	60	3	4.7	Penmans	220	60	63	60	63
130	127	6	4.7	Do. pref.	....	(— bid 127 asked)			
26½	23	1	4.3	Photo Eng.	50	24	23	23	23
102	96	7	6.9	Porto Rico Pr. p	40	102	102	102	102
33⅞	26½	25c	...	Power Corp.	2446	28	29½	27⅞	28
108	104	6	5.6	Do. pref.	91	106½	107	106⅞	106⅞
3⅞	2½	.	...	Prairie C. Oil.	....	(2½ bid 2⅞ asked)			
36	33	1.75+62½c		Pressed Metals	120	34½	34	33½	33½
41½	25	.	...	Price Bros.	7576	38½	38½	36	36
139	98	.	...	Do. pref.	2107	130½	131	130	130½
78	72	.	...	Do., new	....	(72 Feb. 16)			
5	2	.	...	Do. Rights	29401	3	5½	3	5½
				Q					
25⅞	21	1	4.4	Quebec Power	999	21	22½	21½	22½
4⅞	4½	.	...	Que. Telephone	110	4⅞	4⅞	4⅞	4⅞
				R					
58	40	2	5	Real Estate L'n.	....	(— bid 95 asked)			
10½	8⅞	.	...	Regent Knit.	715	9½	9½	9	9½
23½	19	.	...	Do. pref.	185	23	23	23	23
14½	8	.	...	Reliance Grain.	....	(8½ bid 11 asked)			
29½	22	60+15c●		Remington R'd.	200	28⅞	29½	29½	29½
33	30½	2+1.75	..	River. S. Mills	50	32	32	31½	32
8⅞	7½	.	...	Rogers Majest.	1260	7½	7⅞	7⅞	7½
30	26	25c	...	Rolland Pap.	5	30	30	30	30
30½	25	.	...	Do. Vot. Tr.	2055	27	30	27	28½
106½	103½	6	5.6	Do. pref.	65	106½	106½	106½	106½
11½	11½	50c	...	Root Petroleum	....	(— bid 14 asked)			
227	200	8	3.5	Royal Bank	436	225	227	220	220⅞
78	56	1.25	...	Russell Motor	10	77	78	78	78
118	110	7+1▲	5.9	Do. pref.	....	(116 bid 118 asked)			
				S					
103½	100	5.50	5.3	Saguenay Pr. p.	595	103	103½	102	102
22	13	.	...	Sarnia Br. (A)	....	(17½ bid 22 asked)			
16	8	.	...	Do. (B)	10	10½	12½	12½	12½
34	28	80c	2.7	Shawinigan Pr.	6711	30	29⅞	28	28⅞
26½	24½	.	...	Sher. Wms.	205	25	25½	25	25½
131	127	7	5.3	Do. pref.	....	128½ bid 140 asked			
16	14	25c	...	Simon & Son	45	15	15	15	15
101	100	7	7	Do. pref.	15	101	103½	100	103½
110	99⅞	4	3.7	Simpson, pf.	260	104	107	104½	107
38	20	.	...	Do. (A)	35	34	34	34	34
17	11½	.	...	Do. (B)	100	12½	13½	12½	13
122	118	6	5	Simpson, R., pf.	30	119⅞	119	119	119
16½	14½	80c	5	So. Can. Pr.	202	15½	16	15½	16
108	104	6	5.5	Do., pref.	55	107½	108	107½	107½
11⅞	8½	.	...	St. Law. Corp.	21499	10	11	10½	10½
31½	25	.	...	Do. (A)	1040	30	31½	29½	30½
23	22	.	...	St. L. Flour, n.	95	23	23	22	23
140	140	7	5	Do. pref.	25	140	140	140	140
80½	68	.	...	St. Law. Pap. p.	2325	78½	80½	77½	77½
15⅞	11½	.	...	Stand. Chem.	5	15½	12⅞	12⅞	12⅞
14	8	.	...	Stand. Clay	....	(14 Feb. 27)			
9½	5½	.	...	St. Pav. & Mat.	4313	8½	9½	8	8
59	43	.	...	Do. pref.	180	48	51	49	50
49½	45	75+75c▲	.	Stand. Steel, pf.	....	(43½ bid 49 asked)			
96½	80	1.75‡	1.9	Steel of Can.	1958	93½	94½	89½	90
88½	73	1.75	2	Do. pref.	207	88	87	83	83½
4½	3½	.	...	Sterling Coal	10	4	4½	4½	4½
3½	1½	.	...	Stop & Shop	....	(1⅞ bid 2 asked)			
17	16	80c	4.9	Stuart, D. A., p.	25	16	16½	16½	16½
†2⅞	2	.	...	Supersilk H.	....	(4 bid — asked)			
83	80	3.50	4.2	Do. pref.	....	(83 bid 84 asked)			
37	33½	1	2.8	Sup. Pete. ord.	306	36	36	35	36
36	34	1	2.8	Do. com.	5	36	36	36	36
				T					
16⅞	15⅞	80c	4.9	Tamblyn	680	16½	16⅞	16½	16⅞
54	52½	2.50	4.7	Do. pref.	....	(54 bid — asked)			
2½	1⅞	.	...	Thayers	....	(2½ bid 2½ asked)			
25	19	2.50	...	Do. pref.	....	(22½ bid 25 asked)			
2.00	1.15	.	...	Thrift Stores	45	1.50	1.15	1.15	1.15
8	7	.	...	Do. pref.	....	(7 bid 7½ asked)			
11⅞	10	40c	...	Tip Top Tailors	125	11½	11	11	11
108½	104	7	6.5	Do. pref.	20	104	106½	106½	106½
6	2	.	...	Tooke Bros.	30	4	6	6	6
34⅞	21	.	...	Do. pref.	....	(30 bid 35 asked)			
42½	37	1	...	Tor. Elevators	2117	42½	45	42½	42⅞
52	51	.	...	Do. pref., new	301	51	51	51	51
110	86½	4	4	Tor. Gen. Tr.	38	100	100	86½	86½
126	125	6	4.8	Toronto Mtge.	....	(126 bid — asked)			
160	153	7	4.5	Tuckett Tob. p.	15	153	155	154	155
18	13⅞	.	...	Twin City	20	13⅞	13½	13½	13½
				U					
19	15½	35c	...	Union Gas	2450	16⅞	16⅞	15	15½
26½	20	60+10c	..	Un. Amuse. A.	....	(26 bid 30 asked)			
27	24	60+10c	..	Do. (B)	....	(26 bid — asked)			
1.15	.85	.	...	United Distill.	....	(— bid 1.00 asked)			
62½	51½	.	...	United Fuel, pf.	340	55½	56	54	54
25	25	2	8	United Secs.	....	(— bid 25 asked)			
11½	7⅞	.	...	United Steel	29952	11	11½	9⅞	10
				V					
8	4	.	...	Viau Bisc.	280	6	6	4	6
57	50	4	...	Do. pref.	25	57	58	58	58
				W					
27	22	50c	...	Wabasso Cot.	150	24	25	25	25
49½	45½	2	4.1	Walker-Good.	8512	46½	48	46½	47½
20	18½	1	5	Do. pref.	2594	19½	19⅞	18½	19⅞
3½	2½	.	...	Walkerville Br.	690	2½	2⅞	2½	2⅞
5	2½	.	...	Waterloo Mfg.	1420	4½	4⅞	4	4
12½	10	.	...	West. C. Flour.	120	10½	10	10	10
90	80	.	...	Do. pref.	120	82	82½	82	82
70	65	2.40	3.4	West. Grocers.	8	70	70	70	70
120	115½	7	6.1	Do. pref.	....	(117½ bid — asked)			
18½	16	80+10c	..	Weston Ltd.	2415	18	18	16	16
106½	101	5	4.9	Do. pref.	50	102	101	100	100
8	4	.	...	Windsor Hotel	10	5	5	5	5
23	12	.	...	Do. pref.	....	(12½ bid 20 asked)			
10½	4½	.	...	Winnipeg El. A.	1810	7	7½	5⅞	7
10	4½	.	...	Do. (B)	1001	6½	6⅞	6½	6½
44	30	.	...	Do. pref.	130	32	32	31	32
65	53	.	...	Wood, A. & J. p	....	(61 bid 65 asked)			
85	78	.	...	Woods Mfg., pf.	....	(80 bid 82½ asked)			
				Z					
7	5½	.	...	Zimmerknit, c.	....	(7½ bid 9½ asked)			
96	92	7	...	Do. pref.	....	(— bid 100 asked)			

* Quotations for 1935. No sales recorded in 1936-37 to date.
† 1936.
▲ On account of arrears. b New York quotations.
‡ Plus extra of $2 paid Feb. 1, 1937.
● Plus stock bonus 1% paid Jan. 2, and 1% payable Mar. 26, 1937.
▲ Capital distribution.

Mining Stock Quotations

WEEK ENDED MARCH 15

Par Val.	Range 1937 High	Low	Company	Sales	Close Mar. 8 (or last)	High for week	Low for week	Close Mar.15
1	.10½	.06½	Afton	19,600	.07½	.07½	.07	.07
No	1.90	1.42	Aldermac	89,037	1.68	1.80	1.58	1.65
1	.04½	.03	Alexandria	26,700	.03½	.03½	.03	.03½
No	8.75	6.50	Anglo-Huronian	2,589	7.60	7.75	7.50	7.50
1	1.42	1.00	Argosy	18,602	1.05	1.10	1.00	1.05
1	1.15	.83	Arntfield	9,550	.92	.93	.83	.89
No	.09	.04½	Arno	8,690	.06	.06	.04½	.04½
1	.15	.09	Ashley	19,500	.12	.12½	.11	.12
1	.27	.09	Astoria Rouyn	300,170	.14	.16	.13	.16
50c.	.16	.07	Aztec Mining	11,000	.13	.11	.10	.10
1	.36	.24	Bagamac	12,900	.29	.30	.28	.29
1	1.85	1.20	Bankfield	13,785	1.40	1.42	1.30	1.36
1	.65	.25	Base Metals	73,085	.55	.60	.52	.52
No	1.75	1.30	Beattie Gold	10,050	1.41	1.45	1.35	1.43
1	.65	.45	Beaufor	11,600	.48	.48	.45	.47
1	1.70	1.10	Bidgood Kirk	104,472	1.35	1.44	1.10	1.35
1	.72	.55	Big Missouri	29,252	.65	.65	.55	.62
1	.29	.19	Bobjo	37,465	.22	.22	.20	.21
1	1.14	.46	Bouscadillac G. M.	32,200	.80	.80	.60	.60
No	9.00	7.90	Bralorne	1,010	8.70	8.50	8.50	8.50
1	.15	.07	Brazil Gold	10,050	.10	.12	.10	.10
1	.21	.12½	Brett Trethewey	23,550	.14	.14½	.12½	.13
1	.13	.08½	Brownlee	27,340	.09½	.09½	.08½	.09½
1	12.50	11.00	Buffalo Ankerite	3,350	11.00	11.75	11.00	11.75
No	.06⅞	.05	Buffalo Can.	85,000	.06	.06½	.05	.05½
5	30.00	27.00	Bulolo Gold	4,035	28.87	28.75	27.25	28.00
No	.23	.10	Bunker Hill	5,300	.14	.15½	.14	.14½
No	2.30	1.57	Can. Malartic	63,865	1.88	1.87	1.57	1.75
1	1.75	1.50	Cariboo Gold	400	1.55	1.56	1.50	1.56
1	.47½	.24½	Cartier Malartic	43,200	.30	.30	.24½	.30
1	1.66	1.37	Castle Trethewey	15,737	1.40	1.45	1.37	1.38
1	.62	.47½	Cent. Cadillac	27,700	.54	.55	.47½	.54
1	.31	.13	Cen. Manitoba	27,050	.15	.15	.13	.14½
1	5.25	4.05	Cen. Patricia	29,625	4.45	4.50	4.05	4.45
1	.43	.20½	Cen. Porcupine	58,250	.24½	.25	.20½	.23
No	1.47	1.00	Chromium	18,890	1.07	1.15	1.05	1.12
No	.06	.04	Church M & Mill	19,700	.04½	.04½	.04	.04½
No	.09½	.04½	Clericy	55,500	.07	.07	.04½	.04½
5	10.00	5.50	Coast Copper	10,260	8.50	9.00	8.00	8.25
1	.03½	.02	Cobalt Contact	24,050	.02½	.02½	.02½	.02½
5	3.50	3.00	Coniagas	500	3.20	3.20	3.05	3.05
No	2.14	1.60	Coniaurum	12,761	1.80	1.81	1.60	1.72
1	2.70	1.62	Con. Chibougamau	19,595	1.65	1.75	1.62	1.62
25	100.50	74.50	Cons. Smelters	31,746	97.75	100.50	93.00	95.00
1	2.98	1.60	Darkwater	38,261	1.90	2.00	1.60	1.75
No	51.12	45.00	Dome Mines	7,240	46.50	48.50	46.50	47.75
1	.15	.07	Dom. Explorers	7,000	.08½	.08½	.07½	.07½
1	1.22	.40	Dorval Siscoe	36,423	.87	.88	.76	.76
1	.15	.05	Duparquet	381,916	.11½	.15	.12	.14½
1	2.05	1.20	East Malartic	82,075	1.72	1.80	1.50	1.62
1	3.15	2.32	Eldorado	373,389	2.75	3.15	2.70	3.05
No	12.87	10.12	Falconbridge	10,915	11.12	11.50	10.12	10.25
1	.54	.20½	Federal	233,550	.27	.28½	.21½	.25½
No	1.58	.95	Francoeur Gold	46,100	1.14	1.15	.95	1.10
1	.30	.18	Glenora	39,100	.22	.21	.18	.19
No	1.02	.74	God's Lake	47,085	.78	.85	.74	.77
1	.30	.16	Golconda	10,900	.20	.20	.15	.16
1	.49	.35	Goldale	27,300	.36	.36	.35	.36
50c	.25	.12	Gold Belt	1,750	.18	.20	.17	.20
1	.18½	.11	Goodfish	16,650	.13	.13	.12	.12½
1	.63	.18	Graham Bosquet	62,350	.35	.39	.26½	.38
1	.57	.23½	Granada Gold	26,441	.33	.34	.29	.34
No	.18	.07	Grandora	8,500	.10½	.10½	.09½	.10½
1	.46	.18	Greene Stabell	78,050	.21	.23	.18	.20
1	.18	.12	Grull Wihksne	3,100	.14	.13	.12	.12
1	1.25	.90	Gunnar Gold	24,285	.95	.98	.90	.90
1	.07	.03½	Halcrow Swayze	6,500	.04⅞	.04½	.04	.04
1	3.44	2.05	Hard Rock	36,365	2.25	2.30	2.05	2.25
1	.35	.15	Harker	83,920	.22	.22½	.20	.22
5	15.50	13.75	Hollinger	9,801	14.50	14.75	14.50	14.50
1	.72	.50	Howey Gold	35,700	.57	.57	.50	.52
No	41.75	32.12	Hudson Bay	12,193	39.50	39.75	36.50	37.00
1	19.25	15.87	Inter. Mining	920	16.87	17.00	16.00	16.00
No	73.25	62.12	Int. Nickel	30,371	72.00	73.25	70.00	71.25
1	2.15	1.40	Jellicoe	93,453	1.60	1.61	1.40	1.48
1	.59	.41½	J. M. Cons. Gold	46,910	.46	.45	.41½	.43
1	.65	.55	Kerr Lake	140	.55	.62	.55	.55
1	2.65	1.75	Kirk. Hud. Bay	12,820	1.83	2.05	1.75	1.90
1	1.35	.90	Kirkland Lake	60,465	.95	1.02	.90	1.00
1	.40	.24	Kirk. Premier	15,075	.30	.30	.27	.30
1	.48	.23	Kirk. Townsite	26,800	.39	.40	.37	.39½
1	1.10	.88	Laguna	6,100	.97	.96	.88	.91
1	59.50	55.00	Lake Shore	6,637	58.00	58.00	55.00	56.12
1	.28	.14	Lamaque Contact	63,900	.16	.16	.14½	.16
1	1.33	.85	Lapa Cadillac	40,350	.96	1.07	.85	.94
1	1.00	.78	Lava Cap	17,510	.92	1.00	.87	1.00
1	.30	.18½	Lebel Oro	96,710	.24½	.25	.22	.23
1	1.35	.82	Leitch Gold	46,065	.95	.95	.82	.88
1	.07½	.05	Lee Gold	18,000	.05½	.05½	.05	.05
No	8.40	6.40	Little Long Lac	9,206	6.50	7.00	6.55	6.85
1	8.60	6.25	Macassa	36,018	7.40	7.40	6.25	6.75
1	.36	.24	Maralgo	61,173	.28	.29	.24	.24½
1	.04⅞	.03½	Malrobic	34,600	.03½	.03½	.03½	.03½
No	.69	.48	Mandy	42,560	.55	.60	.49½	.52½
No	.16	.07	Man. & Eastern	132,900	.08½	.08½	.07	.07
1	.44	.20	May Spiers	32,700	.23	.25	.20	.22
5	42.25	38.00	McIntyre	3,900	40.00	40.62	40.00	40.00
1	2.03	1.57	McKenzie R.L.	21,415	1.71	1.72	1.57	1.63
1	.65	.60	McKinley	......	(.63 bid 1.00 asked)			
No	4.85	2.00	McLeod Cockshutt	64,247	2.60	2.60	2.35	2.43
1	.19	.07	McMillan	415,825	.07½	.10½	.07	.10
No	1.21	.70	McWatters	80,925	.74	.98	.70	.82½
1	.57	.17	McVittie	93,550	.36	.43	.33	.38
5	2.00	1.50	Mentor Exp. & Dev.	100	2.00	2.00	2.00	2.00
No	5.00	3.25	Mining Corp.	14,098	4.40	4.60	4.20	4.40
No	.29	.20	Minto Mines	2,200	.22	.23	.20	.20
1	.08	.03	Moffatt Hall	13,000	.05	.05½	.04½	.05
1	.88	.55	Morris Kirk	18,500	.65	.64	.55	.55
1	1.95	1.55	Moneta	78,906	1.70	1.70	1.63	1.69
1	.45	.25	Montague	2,100	.33	.40	.34	.39
1	.10	.04½	Murphy	66,950	.06½	.06½	.05½	.06
1	1.05	.62	Naybob	11,350	.72	.72	.62	.62
No	.12	.04	Newbec	50,300	.08½	.09	.07	.08
1	1.49	1.05	New Golden Rose	17,485	1.24	1.20	1.05	1.12
1	.05	.03½	Night Hawk Penn.	17,900	.03½	.03½	.03½	.03½
5	3.60	2.68	Nipissing	1,875	2.90	3.00	2.80	2.80
No	83.00	73.37	Noranda	12,495	79.50	80.37	76.50	77.50
No	.90	.72	Nor. Canada	14,700	.75	.76	.75	.75
1	.16½	.08½	Norgold	25,800	.10	.10½	.09½	.09½
1	13.25	8.05	O'Brien	80,177	9.20	9.25	8.05	9.00
1	1.28	.72	Omega	63,678	.94	1.05	.88	.97
1	.30	.16½	Osisko	1,000	.27	.26	.22	.22
1	2.15	1.69	Oro Plata	12,000	1.95	1.95	1.69	1.70
No	4.05	3.40	Pamour	10,660	3.90	3.90	3.65	3.70
1	1.10	.85	Pandora	19,800	1.00	1.00	.85	.95
1	.42	.32	Parkhill	13,967	.34	.34	.32	.33
1	3.80	3.05	Plato Cons.	7,675	3.40	3.45	3.25	3.35
1	.46	.26	Paulore	41,500	.30	.33	.26	.28
1	.06	.03	Pawnee Kirk	7,500	.03½	.03½	.03	.03½
1	1.38	.80½	Paymaster	92,670	.89	.90	.80½	.85
1	6.60	3.15	Pend Oreille	67,620	6.10	6.45	5.75	6.10
1	2.51	1.75	Perron Gold	21,885	2.00	1.99	1.75	1.95
1	.03⅞	.02½	Peterson Cobalt	25,000	.02½	.02½	.02½	.02½
1	9.20	7.10	Pickle Crow	48,440	7.50	7.75	7.10	7.70
1	6.85	5.40	Pioneer Gold B.C.	4,730	5.80	5.75	5.40	5.40
1	.11	.06½	Porcupine Crown	26,800	.08	.08	.06½	.06½
1	2.20	1.55	Powell Rouyn	18,070	1.92	1.98	1.75	1.82
1	4.50	3.25	Premier Gold	5,835	3.65	3.60	3.25	3.30
●1	1.47	.97	Preston E. Dome	105,415	1.35	1.35	.97	.98
No	1.55	1.10	Prospectors Air's.	5,100	1.40	1.45	1.20	1.28
1	.88	.70	Quebec Gold	1,100	.80	.80	.79	.80
No	.48	.10	Quemont	1,662	.20	.32	.25	.32
1	2.00	1.20	Red Crest	23,200	1.51	1.60	1.20	1.40
1	6.85	5.50	Read Authier	6,325	5.60	5.75	5.50	5.70
1	1.78	.84	Red Lake	359,225	1.20	1.21	.84	.91
1	1.35	1.06	Reno Gold	19,298	1.18	1.18	1.06	1.15
1	.22	.14	Reward	80,300	.15	.16½	.14	.15½
1	.16	.06½	Ritchie	99,200	.11	.11	.08	.08½
1	.12½	.08	Robb Montbray	43,000	.08	.10	.08	.08
1	.48½	.28	Roche Long Lac	71,780	.30	.33	.28	.29
1	2.40	1.90	San Antonio	12,415	2.03	2.04	1.90	2.00
1	1.13	.76	Shawkey	57,635	.90	.91	.83	.83
50c.	.80	.62	Sheep Creek	3,250	.68	.67	.65	.65
1	4.00	2.75	Sherritt Gordon	63,818	3.60	3.75	3.45	3.60
1	6.65	5.10	Siscoe	21,764	5.50	5.50	5.20	5.40
1	2.50	1.45	Sladen Malartic	146,425	1.85	1.85	1.45	1.79
1	2.50	1.80	Slave Lake	11,170	2.35	2.25	1.80	1.90
1	5.50	5.50	South Amer. Gold	100	.....	5.50	5.50	5.50
No	.05½	.03½	South Tiblemont	20,560	.04½	.04½	.03½	.04
No	1.83	.90½	Stadacona	138,100	1.73	1.80	1.60	1.71
1	.32	.21	St. Anthony	42,750	.23½	.24	.22	.23
No	6.90	5.50	Sudbury Basin	12,905	6.50	6.85	6.30	6.35
1	.40½	.23	Sudbury Contact	24,650	.30	.30	.23	.26
1	.04	.02½	Sudbury Mines	16,800	.03	.03½	.02½	.03
1	2.25	1.67	Sullivan Cons.	56,236	1.80	1.86	1.67	1.84
1	4.80	3.75	Sylvanite	22,132	4.15	4.10	3.75	4.00
1	.29	.17	Tashota	13,072	.18	.20	.18	.18
1	6.10	5.35	Teck Hughes	12,820	5.95	5.90	5.50	5.75
1	2.15	1.30	Thomp. Cadillac	79,000	1.50	1.54	1.40	1.53
1	.54	.20	Timiskaming	178,360	.43	.54	.44	.49
1	4.60	3.00	Toburn Gold	2,225	3.65	3.65	3.00	3.10
1	2.00	1.30	Towagmac	52,056	1.68	1.98	1.61	1.70
1	2.60	.50	Treadwell	2,850	2.00	2.00	1.50	1.75
No	3.30	2.66	Ventures	27,871	2.95	2.95	2.66	2.80
No	4.65	3.05	Waite Amulet	31,004	4.15	4.40	3.90	3.95
50c	.07½	.05	Wayside	10,565	.05	.05½	.05	.0.5
No	.05	.03	White Eagle	18,300	.03½	.03½	.03	.0.3
1	.17	.08	Wiltsey Coughlan	24,800	.11½	.12	.08	.10
1	.77	.45	Wood-Cadillac	92,170	.71	.72	.57	.63
No	8.60	7.40	Wright-Hargreaves	32,625	7.70	7.65	7.40	7.60
No	.53	.34	Ymir Girl	14,800	.40	.42	.36	.39
			OIL STOCKS					
No	.20	.14	Acme Gas & Oil	29,675	.16	.17	.16	.17
1	.57	.40	Ajax	2,940	.46	.42	.40	.42
1	.95	.41	Alta. Pac. Cons.	25,900	.55	.65	.41	.60
1	1.10	.36	British Dominion	1,700	.72	.60	.50	.50
No	6.55	2.60	Calgary & Ed.	41,952	4.40	4.75	3.95	4.30
1	1.75	.42	Calmont	67,855	1.26	1.35	1.10	1 25
No	.95	.24	Common Pete	13,000	.55	.60	.46	56
No	3.60	1.30	Dalhousie	46,985	2.85	2.90	2.20	2.70
No	.45	.10½	Eastcrest	41,400	.26	.28	.23	.23
No	3.35	1.80	Foothills	4,280	2.20	2.10	1.80	1.80
No	1.20	.49	Foundation Pete.	22,130	.61	.60	.49	.54½
No	.39	.16	Hargal	1,250	.32	.30	.20	.20
No	.90	.15	High Sarcee	87,050	.50	.53	.38	.44
No	4.05	2.30	Home	97,109	2.80	2.75	2.30	2.40
1	.87	.55	Homestead O.&G.	56,955	.73	.77	.58	.63½
No	.70	.67	Hunter Valley	500	.67	.67	.67	.67
No	.16	.15	Do. warrants	......	(.16 Feb. 22)			
No	.90	.37	Lowery	......	(... bid .75 asked)			
No	.39	.12	Merland	21,921	.24	.24½	.20	.21
No	.63	.35	Mercury	19,750	.47	.57	.35	.50
1	1.15	.45	Model	8,000	.80	.78	.60	.65
5	.49	.17½	Nordon	54,530	.31	.39	.30	.36
No	.12	.05	Oil Selections	16,600	.07½	.08	.06	.06
No	4.10	2.00	Okalta	32,445	2.70	2.80	2.25	2.70
No	.12	.06	Olga Gas & Oil	9,400	.08	.08	.06	.07
No	.43½	.13	Pacalta	83,000	.27	.29	.20	.24
1	.70	.61	Petrol Oil & Gas	640	.61	.62	.62	.62
No	60.00	43.00	Royalite	2,129	54.00	56.00	52.50	53.00
No	2.00	.62	South West Pete.	10,760	1.25	1.35	.90	1.19
1	.68	.61	Spooner Oil	......	(.42 bid .50 asked)			
No	2.35	1.99	Texas Can.	27,180	2.00	2.09	1.99	2.05
No	.70	.40	United Oil	53,605	.49	.48	.40	.43
1	2.00	1.50	Vulcan	2,225	.....	2.00	1.50	1.75

VANCOUVER STOCK EXCHANGE

Par Val.	Range 1937 High	Low	Company	Sales	Close Mar. 8 (or last)	High for week	Low for week	Close, Mar. 15
25c	.02	.00½	Bayview	16,100	.01⅞	.01⅞	.01½	.01⅞
50c	.15	.09	Aztec	7,150	.12	.11½	.10	.10
20c	.04	.02½	Beaver Silver	34,300	.03	.03	.02½	.02½
1	.70	.60	Big Missouri	10,075	.65	.63	.61	.63
25c	.07½	.02½	Bluebird	8,500	.05½	.05½	.05	.05
No	9.00	7.95	Bralorne	4,297	8.50	8.65	8.50	8.50
1	.07½	.04½	Bridge River Cons.	7,000	.05½	.05½	.04½	.04½
50c	.19	.10	B.R.Mountain Gold	.....	(.17½ bid .20 asked)			
1	.40	.25	B.C. Nickel	57,300	.30	.34	.27	.28
1	3.85	2.95	B.C. Silver	2,300	3.45	3.55	3.25	3.25
50c	.04½	.03½	Canadian Rand	500	.04½	.04	.04	.04
1	1.75	1.45	Cariboo Gold	3,720	1.51	1.60	1.48	1.57
1	.14	.07½	Congress Gold	34,300	.09	.09	.07½	.08
25c	.05	.01	Cork Province	36,500	.02½	.02½	.02	.02½
1	.02	.01	Dalhousie Mines	......	(.01½ Feb. 15)			
No	.28	.13½	Dentonia	21,950	.24	.23½	.19½	.20
No	.07½	.02½	Dictator	11,500	.04½	.04	.03½	.03½
1	.05	.03	Dunwell	400	.04½	.03	.03	.03
No	.18	.10	Fairview Amal.	7,912	.11½	.11½	.10	.10½
50c	.69	.64	Fawn Mining	......	(.65 Feb. 12)			
1	.06½	.03½	Federal Gold	15,000	.04½	.04½	.04	.04½
1	1.43	.50	George Copper	1050	1.00	1.00	.95	.95
50c	.06½	.03	George Enterprise	1,000	.05	.05	.05	.05
1	.05	.02½	Georgia River	10,500	.03	.03	.02½	.03
50c	.03½	.01½	Glacier Creek	3,000	.02½	.02½	.02½	.02½
1	.29	.10½	Golconda	27,100	.19	.19	.16	.16½
50c	.25	.11½	Gold Belt	14,925	.23	.23	.19½	.23
50c	.43	.18	Gold Mountain	42100	.19½	.25	.18	.18
50c	.30	.11½	Grandview	217,100	.21	.21½	.17½	.20½
No	.03½	.02	Grange Mines	28,500	.02½	.03½	.02½	.03
1	.18½	.11	Grull Wihksne	17,500	.13	.13	.11	.11½
No	.05	.00½	Haida Gold	4,000	.03	.02½	.02½	.02½
50	1.05	.25	Hedley Amal.	......	(.34 Feb. 23)			
No	.13	.05	Hedley Sterling	5,500	.06	.06	.05	.05
No	.04½	.02½	Home Gold	22,500	.04	.03⅞	.03½	.03½
1	.04½	.02½	Independence	......	(.03½ Feb. 11)			
1	.08	.02½	Indian Mines	4,900	.05	.05	.05	.05
50c	1.18	1.04	Island Mountain	1,885	1.09	1.08	1.04	1.05
1	.22½	.21	Inter'tl Coal	3,500	.22	.21	.21	.21
50c	.06½	.04½	Inter'tl Gold	4,500	.06½	.06½	.06	.06
50c	.90	.80	Kootenay Belle	7,480	.80	.82	.80	.82
20c	.07	.01½	Koot. Florence	131,020	.04½	.04⅞	.04½	.04½
25c	.04½	.01	Kootenay King	10,500	.02½	.02½	.02½	.02½
1	.03½	.00⅞	Lakeview	22,500	.02	.02	.01½	.01½
10c	.19½	.06½	Lucky Jim	280,700	.18½	.19½	.17	.18½
No	.07½	.04½	Mak Siccar	19,500	.06	.06	.05½	.05½
50c	.02½	.01	Marmot Metals	24,000	.02	.02	.01½	.02
1	.19½	.19	McGillivray Creek	......	(.19 bid .20 asked)			
50c	.06½	.02½	Meridian Min.	3,000	.03	.04	.03	.03
5c	.17	.14	Metaline Metals	......	(.14 Mar. 2)			
No	.28	.20	Minto Mines	29,600	.21	.21	.20	.20
50c	.04½	.03	Morning Star	10,500	.03	.03½	.03	.03
1	.05	.01½	Morton Woolsey	31,650	.03½	.03½	.02	.02½
50c	.15½	.05	Nicola	77,160	.07	.08	.05	.08
50c	.17	.06	Noble Five	136,600	.14½	.14½	.13	.13½
1	6.75	3.15	Pend Oreille	4,085	6.00	6.40	5.60	6.05
No	.07½	.05	Pilot Gold	15,500	.06½	.06½	.05½	.05½
1	6.75	5.35	Pioneer Gold	1,300	5.40	5.70	5.35	5.50
50c	.15	.08	Porter Idaho	27,500	.11½	.11	.10	.10
No	.05½	.02½	Premier Border	116,250	.04½	.04½	.03½	.04
1	4.80	3.25	Premier Gold	16,610	3.60	3.60	3.25	3.25
1	.15	.04	Quatsino Copper	30,360	.10½	.10½	.08½	.08½
25c	.17	.10	Quesnelle Quartz	8,650	.14	.16	.12	.13
1c	.05½	.03½	Reliance	15,900	.04	.04	.03½	.04
1	.37	.25	Relief Arlington	7,700	.26	.27	.25	.25
No	1.90	.75	Reeves McDonald	59,320	1.50	1.90	1.48	1.87
1	1.31	1.07	Reno Gold	3,950	1.15	1.15	1.07	1.10
1	.20½	.06	Reward Mining	65,600	.14	.15½	.13	.14½
1	.09½	.03	Rufus Argenta	17,900	.06½	.06	.05	.05½
1	.11½	.04	Ruth Hope	3,500	.08	.07½	.07	.07
1	.12	.09	Sally Mines	1,050	.09½	.10	.10	.10
50c	.15	.09½	Salmon Gold	7,000	.11	.12	.11	.11
50c	.78	.60	Sheep Creek	7 400	.65	.65	.64	.64
1	3.20	3.00	Sibak Premier	......	(3.25 bid 3.30 asked)			
25c	.14½	.04½	Silvercrest	81,620	.09½	.12	.09½	.12
20c	.10	.02½	Silversmith	50,575	.06½	.07	.05½	.06
1	.63	.42	Standard Silver	......	(.50 bid ... asked)			
1	.75	.40	Sunloch	200	.60	.58	.50	.58
No	.13	.07½	Taylor Bridge	5,500	.09½	.09½	.08	.08
1	.12	.08	Taylor Windfall	......	(.09½ bid .12 asked)			
5	.30	.25	Toric	......	(.30 Feb. 23)			
50c	.04	.00½	United Empire	......	(.02½ Feb. 11)			
No	1.05	.48	Vidette Gold	6,850	.55	.57	.52	.52
No	.06½	.02½	Viking Gold	46,000	.04	.04	.03½	.04
No	.02½	.01½	Waterloo Gold	......	(.02 Feb. 2)			
50c	.03	.01	Waverley Tangier	48,500	.02½	.02½	.02	.02½
50c	.08½	.05	Wayside	13,800	.05½	.05½	.05	.05
20c	.13½	.04	Wellington	37,900	.09	.09½	.08	.08½
50c	.50	.25½	Wesko	36,600	.31	.31	.28	.30
1	.42	.14	Whitewater	79,230	.33½	.34	.30	.33
No	.50	.34	Ymir Yankee Girl	2,500	.44	.40	.35	.35
			OIL STOCKS					
1	1.09	.26	Alta. Pac. Cons.	40,841	.48	.66	.42	.60
1	.14½	.06½	Amalgamated	7,300	.10	.10	.08	.09
1	.64	.07½	Anaconda	49,200	.27	.38	.27	.32½
No	.45	.12	Associated Oils	......	(... bid .23 asked)			
No	.24	.04½	Baltac	26,800	.11	.15	.12	.13
1	1.05	.15	Brit. Dominion	500	.69	.60	.58	.58
No	6.20	2.65	Calgary & Ed.	21,560	4.00	4.50	3.95	4.30
1	1.84	.43	Calmont	50,585	1.10	1.29	1.10	1.23
1	.13	.07	Crow's Nest	8,500	.08	.09	.08	.09
1	.90	.26	Commonwealth	24,600	.44	.60	.45	.55
No	3.55	1.33	Dalhousie	6,297	2.75	2.90	2.40	2.65
No	.24	.05	Devenish	18,800	.15	.16½	.12	.16½
No	.45	.13½	Eastcrest	2,300	.28	.27	.23	.23
No	.93	.52	Foundation	3,800	.60	.58	.52	.53
No	.44	.10½	Freehold	133,230	.16	.23½	.20	.22
No	.40	.10	Hargal	9,200	.21	.29	.22	.25
No	.80	.14	High Sarcee	47,200	.45	.54	.42	.42
No	4.10	2.30	Home Oil	48,140	2.75	2.80	2.30	2.45
No	.88	.50	Lowery	10,900	.50	.62	.52	.52
No	.35	.04½	Madison	91,700	.15	.18	.15	.16
No	.50	.15	Marjon Oil	46,750	.34	.41	.35	.38
No	.78	.18	McD. Segur Ex.	37,600	.36	.45	.35	.35
1	1.60	.55	McLeod	1,020	1.00	1.10	1.00	1.00
No	.83	.22	Mercury	63,150	.41	.55	.38½	.44
No	.39	.12½	Merland	7,950	.21	.23	.20	.22
No	.65	.08	Midwest	3,100	.25	.25	.20	.25
No	.65	.20	Mill City Pete	1,700	.35	.35	.32	.35
1	1.15	.44	Model	11,600	.65	.75	.65	.66
5	.48	.17½	Nordon	9,725	.31	.36	.30	.33
No	4.00	.85	Okalta	15,340	2.50	2.85	2.30	2.30
No	.44	.13½	Pacalta Oil	36,900	.27	.29	.20	.25
1	1.50	.60	Ranchmen's	8,200	.77	.73	.64	.64
No	59.00	43.00	Royalite	35	55.00	56.00	53.00	53.00
No	2.00	.65	Southwest Pete.	7,075	1.12	1.35	1.00	1.30
1	.75	.25½	Spooner	300	.63	.58	.45	.45
No	.72	.16½	United	22,250	.40	.48	.40	.40
No	.38	.95	Vanalta	35,700	.14	.22	.16	.16
1	3.05	.95	Vulcan	7,900	1.70	2.10	1.70	2.00

Winnipeg Stocks

(Transactions from Mar. 8 to Mar. 13)

	Sales	High for period	Low for period	Close Mar. 13
Cres. Cream., p.	6	36.00	35.00	35.00
Cryderman	500	.03½	.03½	.03½
Bailor	2,000	.05	.05	.05
Callinan F. Flon	1,000	.11	.11	.11
Flintoba	1,000	.02½	.02	.02
Flin Flon	6,750	.19	.17	.17
Gt. Falls M.	2,600	.25	.22	.24
Gold Lake	11,366	.05½	.05	.05
Gurney Gold	10,450	.59	.50	.54
Herb Lake	6,400	.21	.20	.21
Island Lake	3,000	.03	.03	.03
Knee Lake	500	.03½	.03½	.03½
Kingfisher	2,100	.02½	.02	.02½
Optic Lake	245	1.10	1.00	1.00
Ore Grande	9,050	.08½	.06½	.07
Marvel Oils	16,100	.11	.09	.10
Monarch Life	5	21.00	21.00	21.00
Oxford Mines	250	.60	.55	.60
Packsack	500	.22	.21	.21
Sachigo	320	20.00	19.00	19.00
Star Lake	21,700	.04	.03	.03
Vanson Man.	500	.02	.02	.02
United Grain	82	10.50	10.00	10.00
Rice Lake	6,700	.04	.03	.04
Rice Lake Syn.	60	1.25	1.25	1.25
Wings	800	2.00	2.00	2.00
Wpg. R. Tin	7,000	.04	.03	.03½
Wallace Lake	2,000	.03½	.03	.03½
Wylie Dom.	1,200	.51	.50	.50
Wingold	4,300	.09	.08	.08½
West. Brew.	50	1.35	1.35	1.35
West. Steel, pf.	55	14.00	12.00	14.00

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire Insurance	..	100
Can. Indemnity	125	..
Home Invest.	20	..
Northern Mtge., part pd.	..	3¼
North. Can. Mtge., pf.	3	..
Northern Trust	7	9½
Traders Bldg.	94½	..

*Stocks more active on other exchanges not included.

Corporation Bonds

Supplied by Investment Dealers' Association of Canada

Mar. 16, 1937

Public Utility Issues:	Int. Rate %	Due	Bid Mar. 16	Asked	Bid Mar. 10
‡Ass. Tel. & Tel.	5½	'55	88	91	89½
Avalon Tel.	5½	'48	101½	...	101½
Beauharnois P.	5	'73	53	56	54
‡Bell Telephone	5	'55	112½	115½	112
‡Do.	5	'57	114	117	116
B. C. Power	4½	'60	97	100	97½
B. C. Tele.	4½	'61	105	108	105
‡Calgary Pwr.	5	'60	95½	98½	97
‡Do	5	'64	93	96	..
†Can. Nor. Pwr.	5	'53	101½	104½	101½
‡Dom. Gas. & El.	6½	'45	94	97	94
‡Gatineau Pwr.	5	'56	100	103	101½
‡Do., A	6	'41	99½	102½	99
‡Do., B	6	'41	99	102	98½
Gt. Lakes Pwr.	4½	'56	95½	98½	97½
‡Inter. Hydro-E.	6	'44	80½	83½	83
‡Inter. Power	6	'57	99	102	98½
‡Do.	6½	'57	101	104	100½
Do.	6	'55	101	...	101
†Maclaren-Que. Power	5½	'61	95	98	95
†Do.	5½	'64	92½	95½	93
†Mtl. Island Pr.	5½	'57	103½	106½	103½
†Mtl. L. H. & Pr.	3½	'56	98½	101½	98½
†Mtl. Tramways	4½	'55	78	81	77½
†Do.	5	'41	101½	104½	102
†Do.	5	'55	84	87	84
Nfld. L. & P.	4½	'56	101	104	101
Nat'l. L. & P.	6	'49	95½	98½	95½
N. S. L. & P.	4	'57	98½	101½	98½
†Ot'wa L.H.&P.	5	'57	104½	107½	104½
†Ottawa Tract.	5½	'55	101½	104½	101½
†Ottawa V. Pwr.	5½	'70	105	108	105
†Power Corp.	4½	'59	100½	103½	101½
‡Quebec Pwr.	5	'68	102½	105½	103
Saguenay Pr., B	4½	'66	101	104	103
Do., A	4½	'66	100	103	102
†Shaw. W. & Pr.	4	'61	95½	98½	97½
†Do.	4½	'70	101½	104½	102½
†South. Can. Pr.	5	'55	102	105	102½
†United Secs.	5½	'52	79	82	79½
†West. Pwr. Co.	5	'49	104	107	105
‡Winnipeg Elec.	4½	'60	104½	107½	104½
‡Do., A	4	'65	79	82	81
‡Do., B	4	'65	73	76	74
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	91½	94½	92½
Acadia Sugar	4½	'55	101½	104½	101
†Alta. Pac. Gr.	6	'46	99	102	99
Asbestos Corp.	5	'42	100	103	100
B. A. Oil	4	'45	102	105	102½
Canada Bread	6½	'41	109	112	109
†Canada Cement	4½	'51	99½	102½	101
†Canada Paper	4½	'52	95½	98½	98
Can. Steamship	6	'41	68½	71½	67
Can. Canners	4	'51	97	100	97½
Can. Bakeries	6½	'45	99	...	99
‡Can. Inter. Pap.	6	'49	100½	103½	101
C. P. R.	3½	'51	103	106	104
Do.	4	'49	106½	109½	107½
Do.	4½	'44	101½	104½	102
Do.	4	Perp.	92⅞	95½	95½
†Can. Vickers	6	'47	101½	104½	101
†Consol. Paper	5½	'61	90½	93½	89½
‡Dom. Coal	6	'55	100½	103½	100½
Dom. Sq. Corp.	6	'48	75½	78½	76
Dom. Stl. & C.	6½	'55	111	114	115
Dom. Tar	4½	'51	98½	101½	99
Dom. Textile	4½	'55	106	109	106
†Donnacona P.	4-4½	'56	85	88	85
†Eastern Dairies	6	'49	85½	88½	85½
†Famous Play.	4½	'51	96	99	97
†Federal Grain	6	'49	100½	103½	100½
†Fraser Cos.	6	'50	101½	104½	102
Godfrey Realty	6	'42	48	...	47
Great Lakes Pap.	5	'55	95½	98½	95½
†Gypsum L.&A.	5½	'48	102½	105½	102½
†Gr. Br. & Can. Invest.	4½	'59	88½	91½	88½
Hamilton Cot.	5½	'48	103	...	103
Ham. By-Prod. Coke	5	'55	101	104	101½
Do.	5	'56	98½	101½	98½
†Inter. Paper.	6	'55	99	102	99
†Inter. P. & P. Nfld.	5	'68	103	106	103
Inter City Bak.	5½	'48	103	106	103
Inter-City West. Bakeries	6½	'50	64½	67½	58
†Kingston Elev.	6	'50	98	101	98
Lake St. John P. & P.	5½	'61	101	104	101
Do.	5	'61	80½	83½	83
†Lond. Can. Inv.	4½	'48	96½	99½	96½
†Maple L. Mill. (Bundles)	5½	'49	86	89	86½
†Massey-Harris	5	'47	99	102	98½
†McColl-Front.	6	'49	103	106	103½
†Mercury Mills	5½	'53	80	85	80
†Mersey Paper	6	'49	100	103	100
‡M. & O. Paper	6	'45	65	68	67
Mtl. Dry Docks	6	'47	93½	96½	93
Nat'l Grocers	4	'47	100½	...	100½
†N. A. Elevators	6	'50	97	100	97
Nor. Ont. Bldg.	6½	'39	98½	101½	98
‡Prov. Paper	5½	'47	102	105	102
Queen's Hotel	6	'47	100	103	99½
‡Reliance Grain	4½	'52	98½	101½	98½
†Restigouche Co.	6	'48	111½	114½	112
Rich. Bay Bldg.	6½	'47	100½	103½	100½
†Rolland Paper	4½	'51	103	106	103½
Ruddy & Co.	6½	'48	99	102	99
†Simpsons Ltd.	4½	'51	94½	97½	95½
†Smith, Howard	4½	'51	100	103	100½
‡Spruce Falls P. & P.	5½	'42	...	...	101
†Steel of Can.	6	'40	112	115	113
Sterling Coal	6	'40	91	...	91
Stop & Shop	6	'47	78½	81½	80
Twin City	5½	'52	82½	85½	85½
United Amuse.	5	'56	97	100	97
United Corp.	5	'53	98	101	98
Unit. Grain Gr.	5	'48	97	100	97
Do.	5½	'49	98½	101½	99
Union Gas	4½-	'50	97	100	97½
Wabasso Cotton	4½	'51	96	99	96½
†Western Grain	6	'49	78	81	77
Windsor Hotel	6½	'43	83	86	83
Do	6	'47	43½	46½	45
Zimmerknit	6	'51	98	102	99

‡Payable in Can. or U. K. †Payable in Can., U. S. or U. K. *Payable in Can.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Mar. 16, 1937

	Bid	Asked
Industrial Stocks:		
Acadia Sugar, 6% pfd.	5.35	5.60
Acme Farmers Dairy, pfd.	60.00	....
Algoma Steel, com.	23.25	24.00
Do., pfd.	97.25	98.00
Andian Nat.	48.75	49.50
Assoc. Tel. & Tel., pfd.	52.50	55.00
B. C. Pulp & Paper, pfd.	50.00	53.00
Do., com.	9.50	....
Burlington Steel, com.	17.75	18.25
Burns & Co., A	16.75	17.75
Do., B	7.75	8.25
Can. Tube & Steel, 1st pfd.	80.00	....
Do., com.	10.00	....
Can. Airways	8.25	9.50
Can. Industries, A com.	252.00	254.00
Do., pfd.	161.00	163.50
Can. Ingersoll Rand	129.00	132.00
Can. Westinghouse	71.50	73.50
Chase, A. W., pfd. bonus	27.00	28.00
Claude Neon Gen. Adv., pfd.	11.75	12.50
Conduits Nat., com.	6.25	6.50
Crescent Creamery, pfd.	35.50	38.00
Dom. Found. & Steel, new c.	31.00	32.50
Do., rights	12.50	....
Do., pfd.	99.00	101.00
Dominion Woollens, com.	.75	1.25
Dunlop Tire, pfd.	86.00	....
Federal Grain, com.	4.25	5.00
Do., pfd.	46.50	48.00
Goderich Elevator	8.00	8.75
Greening Wire, pfd.	104.00	106.00
Guelph Carpet	106.50	107.50
Do., com.	26.50	28.00
Hayes Steel Prod., com.	9.50	11.00
Do., pfd.	8.00	9.00
Highland Dairy, com.	2.00	2.85
Do., pfd.	77.00	82.00
Inter City Baking, com.	37.75	39.00
Inter. Met. Indust., A pfd.	94.00	95.50
Lake St. John, com.	48.00	49.00
McCormick's, com.	4.00	4.50
Do., pfd.	11.00	....
Morrison Brass, pfd. bonus	9.50	13.00
Mount Royal Hotel, pfd.	4.25	....
N. Meth. Laund., pfd. bonus	91.50	....
Perfection Pete., pfd.	20.00	24.00
Provincial Paper pfd.	107.25	....
Reliance Grain, pfd.	96.75	98.00
Rob. Consol. Cone	9.75	10.50
Ruddy, E. L., pfd.	42.00	47.00
Seal O Sac (Can.)	23.00	25.50
Silver. Dairies, pfd.	2.75	....
Standard Fuel, com.	7.00	9.00
Do., pfd.	104.00	....
Supertest Pete., B pfd.	27.00	28.50
Toronto Carpet, com.	53.50	....
Toronto Carpet, pfd.	54.00	....
United Steel, A pfd.	20.50	21.50
Western Grain, pfd. bonus	....	14.00
Wings Limited	1.90	2.10
Trusts and Loan Stocks:		
Chartered Trust	94.00	....
Commercial Finance, com.	2.60	3.00
Debenture of Canada	23.00	....
Guelph Ont. Inv., par $50	49.00	53.00
London & West. Trust	57.00	61.00
Prudential Trust	5.25	....
Sterling Trust	39.00	....
Traders Fin., com.	14.00	18.00
Do., B pfd. bonus	95.50	....
Trusts & Guarantee	32.00	33.50
Insurance Stocks:		
Canada Life	535.00	542.00
Canadian Ins. Shares	15.00	18.00
Confederation Life, 20% pd.	115.50	118.00
Dom. Fire	135.00	....
Dom. of Can. Gen.	135.00	145.00
Empire Life, 25% pd.	11.00	12.00
Federal Fire, 25% pd.	40.50	....
Fidelity Ins. of Can.	50.00	....
Great West Life	345.00	360.00
Guar. Co. of N.A., fully pd.	290.00	304.00
Imperial Life	385.00	....
Manufacturers Life	250.00	280.00
Monarch Life, 10% pd.	21.00	22.50
Sovereign Life, 25% pd.	16.00	18.00
Sun Life	705.00	725.00
Western Assurance, com.	51.00	....
Do., pfd.	40.00	45.00
Theatre Stocks:		
Allens, Kingston, pfd.	65.50	74.00
Do., Parkdale, pfd.	70.50	....
Do., St. Catharines, pfd.	60.00	....
Do., Toronto, pfd. bonus c.	29.00	33.00
Loew's, London, pfd.	2.75	3.25
Mansfield Theatre, pfd.	....	41.00
Paramount, Kitchener, pfd.	55.50	62.00
Do., Oshawa, pfd.	90.00	94.00
Investment Trust Shares:		
Can. Gen. Invest.	10.95	11.10
Can. Int. Inv. Trust, p. bonus	111.50	....
Can. Investment Fund	5.00	5.30
Can. Investors Corp.	10.00	10.50
Cons. Div. Std. Sec. Units	20.50	21.50
Dom. Scott. Inv., pfd. bonus	48.50	51.00
Investment Found., p. bonus	68.50	70.00
Lon. Can. Invest., com.	5.00	5.50
Sec's. Holding, com.	1.75	....
Do., pfd. bonus	26.00	28.50
United Corpns., A	26.50	27.50
Do., B	34.00	36.00
Power Issues:		
Can. West. Nat. Gas, pfd.	92.50	94.00
Do., com.	27.50	....
Foreign Power Sec's., pfd.	13.00	....
Great Lakes Power, pfd.	99.00	101.00
Inter. Util., $1.75 pfd.	17.50	18.50
Montreal Island Pwr., pfd.	19.00	....
New Brunswick Tele., com.	13.50	14.50

Municipal Bonds

	Rate	Due	Bid	Ask.	Yld.
†Halifax	5	1961	110.00	112.00	4.21
Hamilton	5	1950	106.00	108.00	4.21
Montreal	5	1945	104.00	105.50	4.18
Ottawa	4½	1945	105.25	107.25	3.50
†Quebec	5	1959	103.00	105.00	4.64
Saint John	5	1950	106.00	107.50	4.27
Toronto	4½	1955	106.50	108.50	3.84
†Vancouver	5	1950	90.00	93.00	5.77
Winnipeg	5	1944	97.00	101.00	4.83

†Payable Can. and N.Y.

Investment Trusts

	Bid	Asked
Can. Amer. Trust	4.90	5.20
Can. Invest. Fund	4.90	5.25
All Can. Trustee	16.25	17.00
Trans-Canada	15.20	....
Grouped Income	7.00	7.65
Can. Equity	13.50	....
Can. Int. Tr., modified	6.25	6.75
Do., unmodified	5.75	6.25

Unlisted Mines

March 16, 1937

	Bid	Asked
Albany River	.90	.93
Algold	.53	.55
Amm. Gold	.41	.43
Arno	.04	.05
Athona	.21	.24
Arrowhead	.40	.41
Area	.05½	.06½
Augite	.45	.47
Bailor	.05¼	.06¼
Bar. Lar	.23	.25
Bathurst New	.06	.07
Bid'Lamaque	.35	.38
Big Master	..	.17
B. L. Lac	.06	.07½
Bilmac	.16	.18
Baldwin	.03½	.04
Blanch'te	.26	.28
Brengold	.12	.14
Bousquet	.06	.07
Britcanna	.64	.67
Cal. Fl. Flon	.10	.11
Can. Pan.	.16	.17½
Can. Kirk.	.02½	.03½
Candalaca	.43	.45
Casey Co.	.03	.03½
Centrec'r	.32	.34
Chest'vl	1.95	2.00
Coin Lake	..	.19
Condor. O.	.08½	.09½
Con. Kirk.	.50	.53
Cooke Lake	.38	.40
Cres. Kirk.	.16	.18
Cuniptau	.10½	.11½
Darwin	.27	.30
D. White	.41	.43
Demp. Cad.	.30	.32
Den. Nic'l	.54	.56
Desantis N.	.55	.65
Don. Mar.	.30	.33
Doreva	.56	.57
Dunlop New	.13	.15
Electra P.	.27	.30
Eva Lake	.24½	.27
Faulk'h'm	..	.55
Franklin	.03	.03½
Fernland	.22	.24
Frontier	.17	.20
Garnet	.04½	.05½
Gate. Pat.	.10	.13
Gilbec	.04½	.05½
Gillies Lake	.55	.58
G. Range	.06¾	.07¼
Goldside	.05½	.06½
Gold Eagle	.70	.75
Gold. Gate	.60	.63
Gor. Lebel	.20	.21
Grenadier	.33	.36
Hayes Cad.	..	.15
Hudson Pat.	.06½	.07
Hislop	.14	.16
Hutch. Lake	.25	.26
Horseshoe	.06	.07
H. P. Porc.	.39	.42
John Nip.	.06	.07
Kaw Crow	.16	.19
Kath. Lead	.33	.34
Kenecho	.20	.22
Kenricia	.81	.85
Kerr Addison	3.25	3.35
Kew'Gama	.54	.58
King Kirk.	.04	.05
Kir-Vit.	.29	.30
Kirk. Hun.	.03	.03½
Kirk. Gate	..	.22
Lafayette	.04½	.05
L. Geneva	.74	.76
Lamaque	.09	.10
Lardego	.14	.16
Mc. C.R.L.	.17	.19
Madsen	1.20	1.25
Magnet	.11	.13
Magnet C.	.41	.43

UNLISTED MINES—(Continued)

	Bid	Asked
Mal. Gold	..	.46
M. McN'ly	.08	.09
Martin B.	.85	.88
Margaret	.45	.48
Maritime	.39	.43
Man. Basin	.03¾	.04½
Matona	.43	.45
Mat. Can.	.19	.20
Moffatt N.	.09	.11
McFarlane	.10	.11
McC. Webb	.39	.42
McV. Kirk.	.09¼	.10
Mooshla	.70	.73
Mosher	.27	.30
Normetal	2.00	2.05
N. Shores	.04½	.05
N. W. Min.	.15	.17
Oklend	.26	.29
O'Leary	.17	.20
Opem. Copper	.45	.48
Oriole	.12½	.13½
Ossian	.05	.06
Pascalis	.47	.50
Par. Mal.	.34	.36
Payore	.33	.35
Porc. McN.	.11½	.15
Porc. Unit	.13	.15
Porc. Lake	.40	.44
Porc. G. R.	.04½	.05½
Porc. Tri.	.23	.25
P. Rouyn	.19	.21
Pelangio	.22	.25
Prop'ary	2.65	2.75
Quemar'c	.20	.23
Que. Man.	1.00	1.02
Rajah	.27	.30
Richmac	.56	.58
Ribago	.03½	.04
Roeanor	.18	.20
Rouyn R.	.15	.16½
Rubec	.10	.11
Sand River	.32	.35
Schreiber	.12	.14
Shenango	.23	.28
Silver Val.	.16	.18
Skookum	.18	.20
Siscoe Ex.	.45	.48
Smelter	.06	.08
Spooner	.25	.28
Sturgeon River	.40	.43
Springer	.11	.13
Straw Lake	.24	.27
Tonawanda	.09	.11
Uchi. Lake	.85	.95
Up. Can.	.60	.63
Valloc	.08½	.09½
Wascana	.27	.29
Williamson	.16	.17
Wesley	..	.25
Westside	.11	.12
W. Red Lake	.06½	.09½
White Horse	.17	.20
Wendigo	.24	.27
Winoga	.25	.28
Woco	.24	.27
Young D.	.16½	.18½
Young Shannon	.12	.15
Ypres Cadillac	.23	.26

Government Bonds

Dominion of Canada Bonds

Mar. 17, 1937		Bid	Ask.	Approx. Yld.
‡1½	1 Dec. '37	102.50	103.25	.90
2½	15 Oct. '39	102.00	102.75	1.41
4	15 Oct. '39	105.50	106.50	1.45
2	15 Nov. '39	100.75	101.50	1.42
1½	1 June '40	99.25	100.25	1.42
4½	1 Sept. '40	107.50	108.00	2.08
1	15 Mar. '41	97.00	97.75	1.58
5	15 Nov. '41	109.50	110.25	2.65
3	15 Oct. '42	103.00	104.00	2.23
2½	1 June '43	100.50	101.50	2.24
5	15 Oct. '43	110.50	111.15	3.11
4½	15 Oct. '44	107.75	108.75	3.19
‡2½	15 Aug. '45	97.50	98.50	2.70
4	15 Oct. '45	104.75	105.50	▲3.07
4½	1 Feb. '46	107.75	108.75	3.35
3½	15 Oct. '49	100.50	101.25	▲3.31
4	15 Oct. '52	103.75	104.50	▲3.50
3	1 June '55	94.75	95.50	3.33
4½	1 Nov. '56	106.50	107.50	▲3.60
4½	1 Nov. '57	106.50	107.50	▲3.66
4½	1 Nov. '58	107.00	108.00	▲3.67
4½	1 Nov. '59	107.25	108.25	▲3.69
‡3¼	15 Jan. '61	97.50	98.50	3.34
3¼	1 June '66	95.75	96.50	3.44
‡3	Perp. bds.	85.00	86.00	3.49

Dominion Guaranteed Bonds

Canadian National Railways:

		Bid	Ask.	Approx. Yld.
3	1 May '44	100.50	101.50	2.76
3	15 Dec. '50	94.00	95.00	3.46
3	15 Feb. '53	93.75	94.75	3.42
*4½	1 Sept. '51	110.25	111.25	3.50
*4½	1 Feb. '56	110.50	111.50	3.65
†4½	1 July 57	110.25	111.25	3.71
*4¾	15 June '55	113.25	114.25	3.68
5	1 Feb. '54	113.00	114.00	3.87
*5	1 July '69	114.00	115.00	▲3.29
*5	1 Oct. '69	115.00	116.00	▲3.73

Provincial Government Bonds

Mar. 17, 1937		Bid	Ask.	Approx. Yld.
New Brunswick:				
4	1 Sept. '54	100.00	102.00	3.84
†4½	15 Apr. '61	106.00	108.00	3.98
†5	15 Jan. '60	110.00	112.00	4.18
Nova Scotia:				
3	2 Sept. '45	95.50	97.50	3.34
4½	15 May '43	105.00	107.00	3.24
†4½	15 Sept. '52	107.00	108.50	▲3.52
†5	1 Mar. '60	112.00	114.00	4.06
Ontario:				
*4	1 June '62	103.00	104.00	3.75
*4½	1 Sept. '44	108.00	110.00	3.00
4½	1 June '50	106.50	108.00	3.74
*4½	15 Jan. '62	108.00	110.00	3.87
5	15 Oct. '48	111.00	112.50	3.70
*5	2 Dec. '60	116.00	118.00	3.84
5½	1 July '46	112.75	113.75	3.76
Ont. Hydro Comm.:				
3½-4-5	1 Oct. '52	99.50	100.25	...
4¾	1 Jan. '70	113.00	115.00	3.94
Prince Edward Island:				
3	1 Oct. '45	96.00	98.00	3.26
Alberta:				
4	15 Dec. '54	64.00	67.00	§
†4	1 Dec. '57	64.00	67.00	§
4½	1 Oct. '51	74.00	78.00	§
†4½	1 Oct. '56	65.00	68.00	§
†5	1 Jan. '48	66.00	69.00	§
5	1 Sept. '55	65.00	68.00	§
*5	1 Oct. '59	66.00	70.00	§
†5½	1 Jan. '47	67.00	71.00	§
6	1 Mar. '47	69.00	73.00	§
Quebec:				
4	15 Mar. '52	103.00	105.00	3.56
4¼	1 Aug. '58	106.50	108.50	3.67
4½	2 Jan. '63	109.00	110.50	3.85
British Columbia:				
†4	1 Dec. '57	91.00	93.00	4.52
*4½	15 Jan. '51	98.00	99.00	4.60
†4½	1 Oct. '53	96.00	97.50	4.72
†5	15 Jan. '48	99.50	101.00	4.88
5	1 Sept. '53	99.50	101.00	4.91
5½	1 Feb. '45	100.00	101.90	5.35
6	15 Feb. '47	102.00	103.50	5.54
Manitoba:				
4	2 Jan. '50	85.00	87.00	5.45
†4	1 Dec. '57	85.00	88.00	4.92
†4½	15 Dec. '56	86.00	88.00	5.50
†5	15 June '54	92.00	94.00	5.54
*5	2 Dec. '59	94.25	96.00	5.30
5½	1 Oct. '55	90.00	93.00	6.13
6	1 Apr. '47	92.00	94.50	6.75
Saskatchewan:				
4	15 Aug. '53	82.00	83.50	5.54
4	1 Nov. '60	79.00	80.00	5.51
*4½	2 July '45	88.50	89.50	6.10
†4½	1 Oct. '51	89.50	91.00	5.40
†4½	15 Mar. '60	86.00	87.50	5.46
5	1 Aug. '58	87.50	89.00	5.91
†5½	15 Nov. '46	91.00	93.00	6.50
5½	1 Oct. '52	90.00	92.00	6.31
6	15 Mar. '52	94.00	95.50	6.47

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ■Payable N.Y. ‡Exempt from Dominion income tax. ♦Callable on or after Sept. 15, 1966. §Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%. ●Calculated to maturity, although callable prior to that date.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Dominion—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Canada Treasury Bills	Mar. ...	....	....	June '37	$25,000,000	99.797	.805%

Foreign Exchange

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

Par	Mar. 9	Mar. 10	Mar. 11	Mar. 12	Mar. 13	Mar. 15
U. S. Dollar, High	1.00	1.00	1.00	1.00	.99 31/32	.99 31/32
Low	1.00	1.00	.99 31/32	.99 31/32	.99 31/32	.99 31/32
1936 High	1.00⅛	1.00 1/16	1.00 1/16	1.00 1/16	1.00 1/16	1.00
Low	1.00 1/16	1.00	1.00	1.00	1.00	.99 31/32
U. K. pound	4.88½	4.88⅝	4.88½	4.88⅝	4.88½	4.88⅜
Australia	3.91	3.91	3.91	3.91	3.91	3.90⅞
Austria	.1873	.1873	.1873	.1873	.1872½	.1872½
Belgium	.1687½	.1686½	.1685½	.1685½	.1685	.1684¾
Brazil	.0615	.0615	.0615	.0615	.0610	.0610
Czechoslovakia	.0349⅛	.0349⅛	.0349⅛	.0349⅛	.0349	.0349
Denmark	.2182	.2182	.2181	.2181½	.2180¾	.2181½
France	.0457⅛	.0456⅞	.0458¼	.0459¼	.0459	.0459
Germany	.4023	.4023	.4022	.4021½	.4021¼	.4021½
Greece	.0090	.0090	.0090	.0090	.0090	.0090
Holland	.5472	.5471	.5464	.5466	.5466¼	.5464½
Hungary	.1975	.1975	.1975	.1975	.1974½	.1974½
India	.3692	.3696	.3695	.3692½	.3692⅞	.3692¾
Italy	.0526⅜	.0526⅜	.0526⅜	.0526⅜	.0526¼	.0526¼
Japan	.2850	.2855	.2854	.2853	.2852	.2851
Jugoslavia	.0234	.0234	.0234	.0234	.0234	.0234
New Zealand	3.94	3.94	3.94	3.94	3.94	3.94
Norway	.2455	.2456	.2455	.2455½	.2454¾	.2456
Poland	.1896	.1896	.1898	.1897	.1897	.1897
South Africa	4.87½	4.87⅝	4.87½	4.87⅝	4.87½	4.87½
Sweden	.2519	.2520	.2519	.2519½	.2518¾	.2520
Switzerland	.2282½	.2282	.2281	.2279¼	.2277¾	.2278
Hong Kong	.3026	.3038	.3038	.3037	.3039	.3034

Commodity Prices

	Latest week	Previous week	Same week last yr.
Cattle	$8.25	$7.85	$6.50
Hogs	8.75	8.75	9.00
Copper, lb.	.1625	.15	.09¼
Cotton, lb.	.1454	.1418	.1136
Rubber, lb.	.2331	.2288	.16
Sugar, raw, lb. ..	.0355	.0360	.0355
Silk, lb.	2.15	2.11	1.68
Wheat (Man.) bu.	1.32⅞	1.28⅝	.83⅛
Coffee, lb.	.09⅜	.09⅜	.06½
Hides	.15½	.14½	.10⅝
Weekly Indices			
N. Y. Annalist	143.1	13.9	124.5
Fishers'	92.9	91.1	82.4
N. Y. Journal of Comm.	91.7	90.6	79.3
Crumps (Brit.)	81.8	80.5	68.1
U. S. Labor	86.1	86.0	79.9
Canada (D.B.S.) .	83.3	83.0	72.6

Monthly Indices

Canada (D.B.S.)	Latest month	Prev. month	Same last year
Retail (Jan.)	81.6	81.7	80.4
W'sale (Jan.)	81.3	79.7	72.9
United States (Jan.)	138.4	134.0	128.3
Gt. Brit. (Jan.)	102.9	100.8	91.8

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 = 100 base. U. S. is Analist 1913 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price. Toronto: Copper-electrolytic, New York: Silk—Japanese, 13-15, New York: Sugar — 96 degrees centrifugal c/f New York: Wheat—No. 1 Man. North Ft. W.-Pt. A. Basis: Hides — No. 1 packer light native cows: Hogs—select bacons, Toronto.

Brewers and Distillers

Brewers and Distillers of Vancouver reports a net profit of $543,685 for 1936. This would be equivalent to 94 cents a share on the 577,737 shares of stock held by the public after deducting shares held by subsidiaries. In 1935 the company reported net profits of $328,360, equal to 60 cents a share on the basis of the new capitalization.

Income for 1936 included an initial dividend of $35,058 from Hemrich Brewing Co., a subsidiary. Working capital amounted to $3,170,983 at the end of 1936 compared with $3,089,377 in 1935.

Capital surplus, after the payment of $1 a share made as a capital distribution on Feb. 1, 1937, is shown at $1,009,945. The directors propose to make further capital distributions as funds are available and it is possible to make such distributions free from income taxes.

DIVIDEND NOTICES

The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up capital stock of this Institution has been declared for the quarter ending 31st March, 1937, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Thursday, the 1st day of April, 1937, to shareholders of record of the 20th March, 1937.

By Order of the Board.

DUDLEY DAWSON,
General Manager.
Toronto, 11th February, 1937.

Montreal Tramways Company

Annual General Meeting

NOTICE is hereby given that the Annual General Meeting of the Shareholders of MONTREAL TRAMWAYS COMPANY will be held at the Head Office of the Company, Tramways Building, 159 Craig Street West, Montreal, on Monday, the 26th day of April, 1937, at 12.00 o'clock noon.

This meeting will be held for the purpose of receiving and considering the Annual Report and Financial Statements, for the election of Directors, the appointment of Auditors, and for such other business as may properly come before said meeting.

The Transfer Books will be closed from the 6th day of April, 1937, to the 25th day of April, 1937, both days inclusive.

By Order of the Board,

PATRICK DUBEE,
Secretary-Treasurer.
Montreal, February 22nd, 1937.

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a dividend of $1.50 per Share, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after 1st April, 1937, to Shareholders of record on the books of the Company at the Close of business on 13th instant.

By order of the Board,

WALTER GILLESPIE,
Manager.
4th March, 1937.

NOTICE OF DIVIDEND

Sheep Creek Gold Mines Limited

(Non-Personal Liability)

Notice is hereby given that a Quarterly Dividend of two cents per share has been declared on the paid-up Capital Stock of the Company, payable on the 15th day of April, 1937, to shareholders of record at the close of business on the 31st day of March, 1937.

Persons holding certificates not registered in their name, commonly known as "street" certificates, should have them registered in their name by the Company's transfer agents, Prudential Trust Company Limited at their office, 614 Pender Street W., Vancouver, B.C., or at their office, 217 Bay Street, Toronto, Ontario, on or before 31st March next.

By Order of the Board.

JAMES ANDERSON,
Secretary.
Vancouver, B.C.
March 10th, 1937.

Listed Bonds

Week Ended Mar. 15, 1937

	Int. rate	Due	High	Low	Range 1937 High	Range 1937 Low
Mtl. L. H. & P. Debs.	3	'39	50⅜	..	50⅜	50¼
Abitibi	5	'53	93¼	..	94¼	91¼

DIVIDEND NOTICES

Provincial Paper Limited

Notice is hereby given that regular Quarterly Dividend of 1¾% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED, payable April 1st, 1937, to shareholders of record as at close of business March 15th, 1937.

W. S. BARBER,
Secretary-Treasurer.
Toronto, Ontario.

BRITISH AMERICAN OIL COMPANY B-A LIMITED

Notice is hereby given that a dividend of Twenty-five Cents (25c) per share has been declared on the issued No Par Value capital stock of the Company for the first quarter ending March 31st, 1937. The above dividend is payable in Canadian funds, April 1st, 1937, to shareholders of record at the close of business on the 18th day of March, 1937.

Share Warrant Holders will present coupons, Serial No. 28, to any branch in Canada of The Royal Bank of Canada, who will negotiate them at par, on or after April 1st, 1937.

By order of the Board.

H. H. BRONSDON, Secretary.
Dated at Toronto, March 15th, 1937.

The Wabasso Cotton Company Limited

Notice of Dividend

A dividend of Twenty-five cents per share has been declared on the Capital Stock of The Wabasso Cotton Company Limited, payable 1st April, 1937, to stockholders of record at the close of business on 20th March, 1937.

By order of the Board.

H. W. Capel,
Secretary-Treasurer.
Three Rivers, Que.,
11th March, 1937.

San Antonio Gold Mines Limited

(No Personal Liability)

Interim Dividend Number Seven

Notice is hereby given that a dividend of seven cents (7c) a share on the outstanding capital stock of the company has been declared, payable April 20th, 1937, to shareholders of record at the close of business on the 1st day of April, 1937.

By order of the Board.

M. SNYDER,
Secretary.
Winnipeg,
March 10, 1937.

DIVIDEND NOTICES

PACKARD MOTOR CAR COMPANY

DIVIDEND NO. 123

The Board of Directors has declared a dividend of fifteen cents (15c) per share on the outstanding Common Non-Par Value Shares of the Company, payable on the 17th day of April, 1937, to the holders of the Common Non-Par Value Shares of record at the close of business March 20, 1937. The books will not be closed.

HUGH J. FERRY, *Secretary*
Detroit, Michigan, March 10, 1937

PICKLE CROW GOLD MINES, LIMITED

(No Personal Liability)

NOTICE OF DIVIDEND NO. 5

Notice is hereby given that a dividend of five cents (5c) per share in Canadian funds has been declared payable on Wednesday, March 31st, 1937, to shareholders of the company of record at the close of business on Saturday, March 20th, 1937.

By Order of the Board,

ROBERT FENNELL, K.C.,
Secretary-Treasurer.

NOTICE OF DIVIDEND NO. 6

Notice is hereby given that a dividend of ten cents (10c) per share in Canadian funds has been declared payable on Wednesday, June 30th, 1937, to shareholders of the company of record at the close of business on Tuesday, June 15th, 1937.

By Order of the Board,

ROBERT FENNELL, K.C.,
Secretary-Treasurer.
Toronto, Ont., March 13, 1937

United Securities Limited

NOTICE is hereby given that a dividend of Fifty (50c) cents per share has been declared on the outstanding common shares of the Company for the quarter ending March 31st, payable April 15th, to shareholders of record March 26th, 1937.

By Order of the Board.

JAMES WILSON,
Secretary-Treasurer.
Montreal, March 11, 1937.

A.J.Pattison, Jr. & Co. Limited
Established 1907
For thirty years we have rendered a Standardized Service to
BANKS, INSURANCE AND TRUST COMPANIES, BROKERS, INDUSTRIAL CORPORATIONS AND INDIVIDUALS
IN BUYING AND SELLING
INDUSTRIAL AND PUBLIC UTILITY STOCKS AND BONDS
Royal Bank EL. 5101 TORONTO

Stock Market COLLAPSE IN 1937?
Send for Bulletin FPM-13 FREE
American Institute of Finance
137 Newbury St., Boston, Mass.

Company Reports

Canadian Westinghouse

Canadian Westinghouse Co. reports somewhat smaller earnings in 1936 than in 1935. By means of a transfer from depreciation reserve, the amount available for common shares was maintained at $1.59 a share against $1.58 in 1935. Without the transfer from depreciation reserve, per share earnings amounted to $1.32.

Increases in distribution of household appliances and small devices resulted in operations on about the same scale as in 1935. This class of business, according to Paul J. Myler, president, has developed into an important and permanent factor in the company's operations. The market for large power and industrial apparatus did not increase although there was a fair demand for medium and small industrial apparatus.

Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Gross earnings	1,397,689	1,492,376
Less: Depreciation ...	403,000	410,000
Taxes	160,000	110,000
Directors' fees	13,800	13,800
Executive salaries ..	63,758	63,175
Pension fund	35,000	35,000
Net earnings	722,131	860,401
Add: Trans. from deprec. res.	150,000	......
Net profit	872,131	860,401
Less: Dividends	1,092,000	1,092,000
Deficit for year	219,869	231,599
Less: Prev. surplus ...	6,301,719	6,533,318
Surplus forward	6,081,850	6,301,719
Working Capital		
Current assets	10,848,182	10,960,018
Current liabilities	945,493	737,482
Working capital	9,902,689	10,222,536

C. N. (West Indies) S. S.

For the first time since the formation of the company, Canadian National (West Indies) Steamships reports an operating profit sufficient to cover interest on the bonds in the hands of the public. Gross revenue last year totalled $4.3 millions, an increase of 13.27% over the previous year. After providing for operating expenses, there was a profit of $557,398, as against $200,030 in 1935.

The only change of interest in the balance sheet is an increase in capital advances by the Government from $500,497 to $679,655. Interest accrued but unpaid in the Dominion of Canada account now stands at $1.6 million, an increase of about $230,000 during the year.

Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Operating revenue ...	4,322,592	3,816,245
Operating expense ...	3,765,194	3,616,215
Net revenue	557,398	200,030
Less: Public interest..	470,000	470,000
Bond discount	3,094	3,094
Govt. interest	330,282	318,814
Depreciation	328,235	324,513
Net deficit for year ..	574,212	917,390

Holt Renfrew

Holt, Renfrew & Co.'s financial statement for the fiscal year ended Jan. 31, 1937, shows a further improvement in earnings and in balance sheet position.

The year's increase in sales is practically double that of the preceding year, resulting in an operating profit of $136,834, against $56,382 in the previous 12 months. After provision for all charges, there was a surplus for the year of $56,215, compared with a loss of $3,380 in 1936. The surplus was equal to $5.62 a share on the 7% preferred.

The balance sheet reflects the sale of the Montreal store property, assets showing a balance still receivable of $675,000 while surplus has increased by $204,000, representing profit on the sale. Bank loan stands at $190,000 compared with $125,000 a year ago, while first mortgage bonds show a reduction from $367,000 to $263,000.

Income and Surplus Account
Years Ended Jan. 31

	1937 $	1936 $
Operating profit	136,834	56,382
Less: Interest	45,518	44,031
Depreciation	26,752	12,731
Bond discount w/o .	3,000	3,000
Taxes	5,348	......
Surplus	56,215	3,380
Previous surplus	185,684	189,065
Surplus forward	241,900	185,685
Working Capital		
Current assets	1,044,091	894,512
Current liabilities	281,731	175,402
Working capital	763,360	719,110

B. C. Pulp

British Columbia Pulp and Paper Co.'s statement for 1936 shows a total revenue of $532,175, as against $307,854 the year before. Earnings were sufficient to cover depreciation, depletion and bond interest charges, leaving a net profit of $15,213. For the year before there was a deficit of $256,738 after absorption of these charges.

Balance sheet shows working capital position maintained, bank loan of $160,000 having been retired in part through sale of Dominion Government guaranteed bonds. The amount of outstanding first mortgage bonds remains unchanged. Inventories dropped from $898,373 to $555,853, while cash on hand increased from $45,015 to $208,453. Shown in the balance sheet is the sale of $100,000 of the company's own bonds, which had been held among investments.

Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Total revenue	532,175	307,854
Less: Depletion	708	9,019
Directors' fees	3,000	3,000
Exec. salaries, etc...	31,401	31,707
Depreciation	238,000	200,000
Bond interest	319,717	320,866
Taxes	12,000	......
Net profit	15,213	*256,738
Previous deficit	1,088,377	831,639
Deficit forward	1,073,163	1,088,377
Working Capital		
Current assets	1,048,812	1,286,209
Current liabilities	253,942	456,027
Working capital	794,870	830,182

*Deficit.

C. G. M. M.

Although the Canadian Government Merchant Marine only had 17 completed voyages in 1936, as against 24 in 1935, the service showed an operating profit of $303,505 compared with $311,822 the year before. Affairs of the C.G.M.M. have now been liquidated, except for some small transactions which will be closed during the current year. On April 27, 1936, an Order-in-Council was passed approving an agreement for the sale of the remaining 10 vessels of the fleet to the Montreal Australia New Zealand Line Ltd.

Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Operating revenue ...	2,216,441	2,764,549
Operating expense ...	1,912,936	2,452,727
Net revenue	303,505	311,822
Less: Govt. interest ..	558,069	1,586,665
Depreciation	......	726,720
Net deficit for year ...	254,563	2,001,563

Enamel and Heating

Enamel and Heating Products reports an operating profit in 1936 of $20,603, compared with a deficit of $25,047 the year before. After providing for depreciation and subsidiary losses, there was a net profit of $41. There was no provision for depreciation in 1935.

In his report to the shareholders, President N. A. Hesler expressed considerable hope of improved business from the Home Improvement Plan, as well as from exports. For the first two months this year domestic sales were 34.6% higher than for the same period last year. Export sales also show a large increase.

Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Operating profit	20,603	*25,047
Less: Depreciation ...	15,000	......
Subsidiary loss	5,554	......
Net profit	41	*25,047
Previous deficit	†281,995	†256,331
Deficit forward	282,036	281,378

*Loss. †Adjusted.

Mersey Paper

Operating profits of Mersey Paper Co. increased from $746,624 in 1935 to $824,219 last year. Following its usual custom, the company, after paying bond interest, credited the balance of income to depreciation reserve.

The balance sheet shows an improvement in working capital status. The special bank loan remains unchanged. Current bank loan stands at $681,000, as against $7,18,000 a year ago. Compared with the 1935 returns, accounts receivable remain much the same, while inventories are up from $663,222 to $785,276.

Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Gross revenue	824,219	746,624
Less: Interest	378,224	391,535
Depreciation	445,995	355,089
Surplus	......	......
Working Capital		
Current liabilities	4,114,519	4,273,882
Current assets	1,985,375	1,817,882
Working capital*	2,129,144	2,455,533

*Deficiency.

Asbestos Corp.

Asbestos Corp.'s 1936 report shows an expansion in gross income from $371,071 in 1935 to $828,871 in 1936, while net income available for dividends increased from $15,415 to $221,152. Share earnings were equal to $1.66 as against 11½ cents the year before.

Sales of fibre in 1936 increased over 1935 by 65.2% in value and 61.6% in tonnage. This increase was recorded in practically all markets. To obtain the additional tonnage it was necessary to reopen the Beaver and British Canadian mines, in addition to which the company continued to operate the Kings and Vimy mines.

The balance sheet reflects redemption of all the underlying bonds which were paid off, partly from the treasury and partly by the issuance of $330,000 short term first mortgage bonds at low interest rates. Interest on the income bonds was paid in full, and all arrears were liquidated in December. The report further shows an increase in cash on hand from $20,994 to $293,818.

Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Total revenue	828,871	371,071
Less: Exec. salaries ..	47,100	45,705
Legal fees	4,249	2,097
Directors' fees	1,500	1,500
Depreciation	331,312	125,000
Taxes	63,000	......
Sub. interest	18,422	41,854
Mort. interest	3,550	......
General interest ...	138,566	139,500
Surplus	221,152	15,415
Previous surplus	86,783	9,557
Adjustments	32,501	61,811
Surplus forward	340,436	86,783
Working Capital		
Current assets	1,275,050	987,514
Current liabilities	310,715	246,660
Working capital	964,335	740,854

Inter. Paper & Power

International Paper and Power Co., excluding International Hydro-Electric System, reports a consolidated net profit in 1936 of over $4.7 millions after interest, amortization, depreciation, depletion, provision for doubtful accounts, taxes, dividends accrued but not being currently paid on stocks of subsidiaries, equivalent to $5.26 a share on the outstanding 7% preferred, on which there is an accumulation of unpaid dividends. This compares with a net loss in 1935 of $3.3 millions.

Current assets at the end of 1936, including $5.3 million of cash, amounted to $46.5 millions and current liabilities were $10.9 millions, compared with current assets of $44.1 millions and current liabilities, including $16.2 millions of notes payable, of $26.6 millions at the close of the previous year.

Consolidated Income Account
(Excluding Intern. Hydro Electric System and subsidiaries)
Years Ended Dec. 31

	1936 $	1935 $
Gross sales	113,230,909	95,426,318
Other income	1,259,846	920,685
Total income	114,490,755	96,347,003
Costs, expenses	97,558,673	87,316,833
Interest	4,405,467	4,831,353
Amort. of debt exp...	404,583	364,838
Depreciation	4,847,208	5,350,154
Depletion	798,156	723,016
Fed. inc. taxes	1,021,223	358,183
Surtax on profit	6,068	......
Subsid's divs.	663,136	726,058
Net profit	4,786,241	*3,323,432

*Loss.

Steel of Canada

Steel Co. of Canada's 1936 report reveals net earnings of over $2.8 millions, equal to $4.01 a share on preference on ordinary stock combined, as against $3.31 a share for 1935. After distributing $920,000 toward equalization of dividends, and payment of $300,000 to the benefit and pension funds, the surplus totalled $406,942 as against $170,241 in 1935.

The balance sheet reflects a further expansion in the already strong liquid position. While cash on hand remained much the same, funds out in call loans increased from $459,199, to over $2 millions.

Accounts receivable increased by more than $1 million to $3.9 millions. On the other hand, holdings of government bonds declined from $8.5 millions to $7.3 millions. The plant account shows an increase of about $600,000 to $41.4 millions.

During the past year the company increased the Hamilton sheet mill capacity. A new 150-ton open hearth furnace is expected to be brought into operation at the same place early in the summer. Work is now proceeding on replacement of the blooming mill and soaking pits. At Canada Works, Hamilton, additional wire drawing equipment was installed; also machinery for manufacturing steel hoops and a wire patenting furnace. At the Montreal works, expenditures were made for a new roll turning shop and improved wire annealing equipment.

Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Earnings from:		
Oper'ns (after depr.)	2,686,114	2,170,033
Secs., less inc. tax..	311,195	332,050
Sale of securities ...	93,410	94,985
	3,092,719	2,597,068
Less: Bond interest ..	206,036	211,586
Net profit	2,886,683	2,385,482
Less: Pref. divds.	454,741	454,741
Ordinary divds.	805,000	805,000
Equalizing ord. div.*	920,000	655,500
Benefit & pension res.	300,000	300,000
Surplus for year	405,942	170,241
Add: Prev. surplus ..	13,054,244	12,884,003
Surplus forward	13,461,186	13,054,244

* $2 a share for 1936 and $1.42½ a share for 1935.

Note: The following amounts have been charged before determining the earnings for the year.

	1936 $	1935 $
Depreciation	1,495,473	1,443,196
Income taxes	563,121	455,829
Directors' fees	12,600	12,600
Executives' remuner..	136,006	132,684
Legal expenses	1,290	1,071
Working Capital		
Current assets	21,201,514	19,509,821
Current liabilities	3,602,509	2,928,868
Working capital	17,599,005	16,580,953

Pressed Metals

Pressed Metals of America Inc., Port Huron, Mich., reports net profits for 1936 equivalent to $2.58 a share on the 124,288 shares outstanding at the end of the year. In 1935, earnings on 112,989 shares outstanding amounted to $1.88 a share, before deducting $31,177 loss on mortgage foreclosure.

President J. W. Leighton reports that sales increased about 50% with introduction of 1937 car models in 1936. While these sales represented a new high, the percentage of profit was lowered because delivery of production machinery to the company was late, necessitating temporary use of improvised equipment. Floor space has been approximately doubled in the past year to house new equipment and handle increased business.

The decline in working capital is due primarily to net additional investment of some $330,000 in plant and equipment, only about $225,000 of this having been raised by issue of additional shares.

The company's metal products are standard equipment on leading makes of cars.

Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Operating profit	441,088	301,272
Bad debts recovered .	200	......
Total income	441,288	301,272
Less: Depreciation ...	56,416	54,284
Income tax res.	60,000	31,500
Cap. stock tax res.	4,315	3,150
Net profit	320,557	212,338
Less: Dividends	283,888	14,125
Surplus for year	36,669	198,213
Add: Prev. surplus ..	216,755	49,719
Prev. write-offs disallowed	55,500	......
Less: Foreclosure loss	......	31,177
Add. '34, '35 inc. tax	7,455	......
Surplus forward	300,469	216,755
Working Capital Position		
Current assets	820,945	534,883
Current liabilities	574,088	231,333
Net working capital ..	246,857	303,550

Com. International

The Commonwealth International Corp. reports an income in 1936 of $25,877, as against $21,099 in the previous year. The company has made a practice of charging off expenses against profits on securities sold. The total income, less income tax, is practically all distributed in dividends, which amount to 16 cents a share.

During the past year the company reported a profit on investments sold of $24,572. This contrasts with $30,509 the year before.

At the end of last year the company had investments of a book value of $443,484 as against a market value of $540,496. In the previous year the book value of investments was $345,403 and the market value $398,103. The gain is largely in market appreciation, though during the year there was an increase in the outstanding shares from 121,792 to 135,992.

Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Total revenue	25,877	21,099
Less: Expenses	*	†665
Income tax	1,987	1,662
Net profit	23,890	18,771
Less: Dividends	19,564	19,566
Surplus	4,326	‡795
Previous surplus	190	1,118
Less: Add. taxes	182	133
Surplus forward	4,335	190

*$7,827 charged off against profit on securities sold. †$7,096 charged off against profit on securities sold. ‡Deficit.

British Canadian Trust

British Canadian Trust Co. and its subsidiary, British Canadian Finance, Ltd., Lethbridge, Alta., have issued a consolidated annual report for year ended Dec. 31, 1936. Capital account shows total assets of $219,590, of which $134,054 is mortgages and agreements for sale, investments in bonds and stocks and other assets.

Trust account shows estate assets of $1,015,045 and trust funds of $93,024. Revenue for 1936 amounted to $26,961 and deduction of expenses left an operating profit of $10,064. Dividends were paid at 5% on the company's stock.

Shareholders' Position

	1936 $
Rate earn. per sh.*	4.64
Divds. paid per sh.	5.00
Net profits*	9,022
P. & L. surplus	675

*After income tax.

Creditors' Position

	1936 $
Trust funds	93,024
Secured by: Liquid assets	53,165
Mortgages	39,758
Capital acct. assets	191,875
Total	284,798
Estates, etc.	1,015,045

Corrugated Paper Box

Corrugated Paper Box Co. reports net profits for 1936 equivalent to $11.60 a share on 7,310 preferred shares of $100 each. This compares with earnings of $8.92 a share on 7,835 shares in the preceding year. Without regard for the 5,343 outstanding income funding certificates, the balance was equivalent to $3.22 a share for the common stock.

In 1936, the company reduced the number of income funding rights from 7,857 to 5,343. Since each right represents $33.25 of former arrears of dividends, the company in effect paid off some $83,500 of obligations with a cash outlay of $31,250.

A new subsidiary, Carton Specialties Ltd., has been formed to operate a folding carton division under management of Frank L. Clouse.

Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Net earnings	148,960	130,028
Less: Depreciation ..	42,424	42,876
Income tax	21,375	17,126
Directors' fees	340	160
Net profit	84,821	69,866
Less: Pref. dividends .	51,546	41,134
Surplus for year	33,275	28,732
Add: Prev. surplus ..	178,989	146,236
Adjustments	4,069	4,021
Less: Redemp. inc. r'ts	31,250	......
Profits res. for redemp. of pfd.	42,252	......
Surplus forward	142,831	178,989
Working Capital Position		
Current assets	396,447	362,664
Current liabilities	57,888	44,765
Working capital	338,559	317,899

International Loan

International Loan Co., Winnipeg, at Dec. 31, 1936, shows no liabilities to the public and total assets of $1,097,341. Cash collections on mortgages showed an increase of 72½% over 1935.

Mortgages and agreements decreased slightly to $989,287 from $1,009,297, because a number of farm mortgages were paid off in full. Real estate held in clear title was also down somewhat to $73,092 from $85,793 as the company was able to sell some foreclosed properties, something which has been difficult for the past few years. Cash on hand of $34,962 is substantially higher than the $12,625 at the end of 1935 and has only been exceeded once since 1924.

The company has arranged to reduce the rate of interest to 6% on all farm mortgages contracted prior to May, 1935. This action was taken at the first of 1937 by mutual arrangement with lending institutions but will not affect the rate on new loans.

Shareholders' Position

	1936 $	1935 $
Rate earn. per sh.* ..	2.12	2.57
Divds. paid per sh. ..	nil	nil
Net profits	19,710	24,332
P. & L. surplus	65,386	60,909
Mtges. & real estate ..	1,062,379	1,095,090
Cash	34,962	12,625
Total assets	1,097,341	1,107,715

*On basis of paid-up capital.

George Weston Ltd.

George Weston Ltd., and its subsidiary bread, biscuit and candy firms, report a small increase in combined net profits for 1936. Dividends on the 5% preferred were well covered, and the balance available for common shareholders was equivalent to $1.11 a share in 1936 compared with $1.08 in 1935. Common dividends paid amounted to 85 cents in 1936 and 80 cents in 1935.

Consolidated Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Net oper. profit	821,245	736,992
Add: Inc. from invests.	1,435	28,781
Less: Remun. of exec. off., legal & dir. ..	74,000	64,266
Depreciation	118,193	112,500
Interest	14,376	38,503
Res. for inc. taxes ..	110,000	72,220
Net profit	506,111	478,284
Less dividends:		
G. Weston Ltd.:		
Preferred	84,419	63,000
Common	319,500	206,640
W. Paterson Ltd.:		
Preferred	3,496	4,309
G. Weston Bread & Cakes:		
Preferred	2,368	5,436
Surplus for year	96,328	198,899
Add: Prev. surplus ..	647,840	451,308
Less: Tax adjusts. ..	3,757	2,367
Earned surplus	740,411	647,840
Working Capital		
	1936 $	1935 $
Current assets	1,937,462	1,618,338
Current liabilities	801,181	616,824
Working capital	1,136,281	1,001,514
Ratio	2.42—1	2.62—1

With the Legislators

Ottawa

Financial: The House of Commons adopted the budget on division and proceeded to consider individual items.

Business Profits: First steps were taken to revive the Business Profits War Tax Act of 1916 and to remove any legal doubt as to the authority of the Government to collect sums allegedly owing the Government by companies dating back to that period.

Railways: The annual report of the Canadian Railways tabled in the House of Commons showed a cash deficit of $43,303,393 in 1936. The total deficit was $92.3 millions compared with $115 millions in 1935. The reduction is due to lower interest charges and smaller write-offs for retirement of equipment.

For the first time since the formation of the company, the Canadian National (West Indies) Steamships Limited earned a surplus after meeting interest on bonds held by the public. The income surplus was $87,398, compared with an income deficit of $269,969 the previous year.

The Railways and Shipping Committee reported the bill to revise the accounting system of the Canadian National Railways.

Imperial Conference: Hon. Ernest Lapointe, acting prime minister, tabled in the House of Commons the agenda of the Imperial Conference which begins May 14, 1937. Foreign affairs and defense, constitutional questions, trade, shipping and air communications are the major divisions. It is hoped also to discuss British emigration.

Unemployment Relief: The annual measure to provide grants to the provinces for unemployment relief was introduced in the House of Commons.

Nova Scotia

Financial: The provincial budget came before legislature. For details see elsewhere in this issue.

Hydro: A programme of extension of rural power to rural areas is outlined in a bill now before the Legislature. An amount of $25,000 has been set aside in budget estimates to build lines in virgin territory.

Industry: Bills providing funds for revival of the apprenticeship system will be brought down during the session. One feature of this plan is employment of 2,000 unemployed youths in the hard-rock mining industry. Hon. Michael Dwyer hopes to pay the expenses of this training by the opening of new gold mines.

Insurance. A Government bill designed to bring Nova Scotia into line with other provinces on sickness and insurance contracts given second reading.

New Brunswick

Agriculture: The Natural Products Marketing Act, which enables the Government to compel marketing of natural products on the basis of grades, to be fixed by the governors in council, passed third reading. The Government plans to enforce the act first in the grading of creamery butter.

Insurance: New Brunswick Insurance bill is expected to have a quiet passage through the Legislature. It is patterned to a large extent on Ontario legislation and has the support of insurance groups in the province. The bill establishes an insurance branch of the attorney-general's department, provides for the licensing of all agents and the setting up of an advisory board to check on possible malpractices.

Quebec

Labor: Quebec will follow closely on the heels of Ontario with fair wage legislation. The proposed bill will set up a central board with authority to enforce fair wage provisions on all employers. The board will also act as an arbiter in disputes between employees and employers. The women's minimum wage board will be abolished and its powers vested in the new body.

Farm Loans: Rural credits bill increasing the vote for rural credits from $10 millions to $15 millions, passed through Legislative Assembly with the Liberal opposition absent from the house on its protest strike. Opposition members are charging that Premier Duplessis has railroaded the bill in order to use its provision in the Beauce by-election.

Ontario

Labor: Split wide open over the contentious issue of whether Ontario should adopt the trillium as a floral emblem, parties in the Legislature re-united during the week to give second reading to Canada's first provincial minimum wage act for men. The bill is discussed in detail on page seven.

An amendment to the Industrial Standards Act provides for an Industry and Labor Board empowered to fix minimum charges for personal services and also maximum working hours. The board will act as an appeal tribunal from decisions of the advisory boards already operating under the Act.

Taxation: Bill designed to free municipalities from old age pensions and mothers' allowance grants given second reading. This concession to municipalities is to compensate for loss of income taxing rights.

Municipality subsidy bill providing a grant of one mill on the assessments of provincial municipalities given second reading. The bill provides that the grants must be applied in reduction of tax rates.

Hydro: Debate on second reading of the bill validating the Ottawa Power agreement provided opportunity for Attorney-Genreal Roebuck to forecast a programme of extensive power development in the province. Power from Gatineau and McLaren would not be needed in 10 years time, he announced.

Social: Bill prohibiting free sale of codeine and veronal introduced.

Mining: Legislation providing 2 cent per unit bounty on iron ore mined in the province given second reading.

Manitoba

Building: Bill enabling municipalities to exempt from taxation home improvements made under the home improvement loan plan introduced.

Taxation: Manitoba's 2% wage tax, it is predicted, will provide the main issue of the session which may reach its climax in a general election. Against proposed Government legislation to increase exemptions to include some 35,000 wage earners, opposition members are demanding abolition of the tax. This demand, it is predicted may take the form of a resolution in a House in which Premier Bracken rules only by consent of opposition groups.

Provincial Finances: Increases in expenditures totalling $500,000 are shown in estimates for the year discussed elsewhere in this issue.

Saskatchewan

Taxation: Enabling legislation to be introduced to allow municipalities to impose a rental or occupancy tax. Succession duty amendments implementing the Jacoby report and providing reductions in exemptions abandoned by Government.

Agriculture: Seed and Grain Supply Act providing that the Government might make purchases of seed and control its distribution given third reading. A private bill to extend the co-operative scope of the Saskatchewan Wheat Pool has aroused a storm of opposition from the retail merchants. It would allow the Pool to engage in "any fraternal or co-operative business for the benefit of its members."

Alberta

Oil: Oil rights in an area approximating 61 million acres will be appropriated by the Government through an order in council providing a crown reserve adjacent to all new land staked. It does not affect Turner Valley areas.

Business: Bill providing for licensing of all business in the province is discussed on page eight.

Highways: The Aberhart Government has announced a five-year programme of highway construction to cost $10 millions. The only hitch in the programme seems to be the suggestion of Hon. W. A. Fallow, minister of public works, that the money will be found when Social Credit is in operation.

Life Policies With Pensions Widely Bought

Canadians Aged 21 to 29 Prefer Endowment Contracts

LABOR BUYERS LEAD

Long term endowment policies or personal pension "units" are by far the most popular types of life insurance policies among Canadians between ages 21 and 29.

After that age more than half the policies issued to those in their thirties are for the protection of wives or husbands, it is revealed in a recent survey of life insurance buying habits in Canada by The Excelsior Life Insurance Co.

Significant changes in the buying habits of insured persons as a result of the business depression are revealed in the survey, which covers 7,467 new policies issued in 1936. New requirements in insurance purchasing, arising from the depression, are still reflected in 1936 purchases of policies and it is notable that two out of every five policies were bought by persons between ages 21 and 29.

One fourth of the policies issued were bought by men and women between 30 and 39 years, a fact that reveals growing recognition of the purposes which life insurance serves in creating an estate available at the time of life when earning power is diminishing.

Young men and women have developed a keen discrimination in the choice of policies, the company states, and they are buying insurance on a basis to meet circumstances, which may exist many years in the future. The largest single group, amounting to 23% of policies purchased by persons between 21 and 29, were the limited payment life type with payments extending over 10, 15, 20 or 25 years.

But the largest combined group, amounting to 39% or two out of every five policies purchased in this age group were of the long-term endowment or personal pension "unit" type, maturing at 60 to 65 years of age. This percentage compares with one in four policies purchased on the limited payment life plan.

Protection Favored After 30

Protection looms large in consideration of life insurance buying in the 21 to 29 years group. Half the policies issued to the group in 1936 were for protection of a parent and most of these were for protection of the mother, although a quarter of the total covered protection of wives.

In the next largest group, people between 30 and 40 secured protection chiefly for wives and husbands but in this group a quarter of total policies were designed for creation of an estate to be divided by will. Two out of every five were for amounts in excess of $3,000, but only a third were on the long-term endowment or personal pension "unit" plan maturing between 60 and 65 years of age. The changes in circumstances of the two groups, arising from a higher marriage rate and to some extent from a higher income level, are reflected in the change in type of policies required. In the "thirties" group also, a third of the policies were issued on the ordinary or whole life plan.

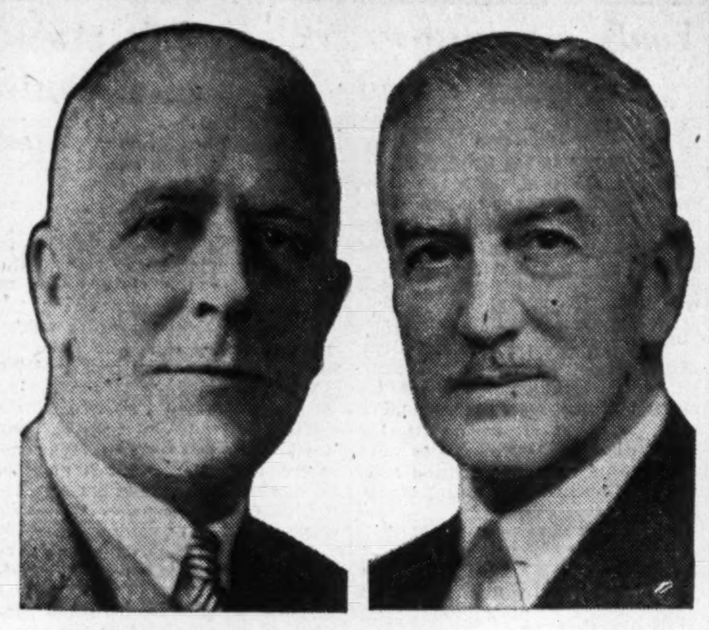
Classification of groups over the 40 years age level finds ordinary life as the largest single type of insurance between ages 40 and 49 or 42% of the total issued in this group. Over 50 years the same type of policy leads in purchases of insurance, comprising 46% of policies sold to the group of 50 and over.

Labor and Mercantile Groups

Occupational groups covered by the survey show labor classifications leading in the purchase of insurance up to age 40 but thereafter the mercantile groups take predominance. In the age group 16 to 20 no less than 27% of policies purchased were by factory workers, truck drivers, hotel employees, waiters, messengers, tailors, miners and other similar labor groups. Students, housemaids, housekeepers, etc., in the "home" classification also comprised 27% of the group with farm workers next in number to the extent of 23%.

Labor also leads in insurance purchasing between ages 21 and 29 with 35% of the total, the next largest group of insurers being those engaged in mercantile activity and accounting for 16%. Among the latter are retail salesmen, clerks, grocers, butchers, barbers, bakers, store owners and similar classifications. Office workers with 14% of the policies purchased, professional men and women with 14%, farm workers with 13% and home groups with 8% follow in the 21 to 29 years age group.

The same order of purchasing applies to the 30 to 39 years age group except that the percentage of labor group buyers is lower at 31% and mercantile type buyers are more numerous at 25% of the total. A similar trend is evident in the higher age groups, mercantile buyers exceeding labor in the 40 to 49 years group and showing a still larger increase in age 50 and over with 30% of the total policies issued.



U. S. FIDELITY APPOINTMENTS

Col. A. E. Kirkpatrick (right) has been appointed resident vice-president of the United States Fidelity & Guaranty Co. at Toronto, and Col. S. W. Band has been promoted to succeed him as manager of the Toronto office of the company. Col. Kirkpatrick has been associated with the concern for more than 34 years. He is a director of the United States company, and is president of the Fidelity Insurance Co. of Canada. Col. Band has been with the U. S. Fidelity ever since it entered Canada in 1903, and has been assistant manager since 1905. He also is a director of the American company and is vice-president of the Fidelity of Canada. A. E. Perry, formerly in charge of the guarantee bond department of the companies, has been advanced to assistant manager.

Underwriters Offer Supplemental Plan

"To give the insuring public a broader and more comprehensive form of cover under one contract at a minimum of cost," the Canadian Underwriters' Association has announced a supplemental contract for attachment to fire insurance policies.

This supplemental contract does not extend the policy to property not already covered, but in effect gives protection under the original policy to include loss from windstorm, hail, lightning damage to electrical appliances, explosion, riot, impact by aircraft or vehicles and smoke damage. One contract is available for all risks that are eligible. In the case of sprinklered risks the contract is the same with sprinkler leakage insurance added. There are no special preferred risk supplemental contracts.

In Ontario and Quebec

The new contract will be available immediately in Ontario and Quebec, and is expected to be offered in other parts of the Dominion in the near future. Cost of supplemental naturally varies with the type of risk, but the Underwriters' Association states that the extra premium for the additional cover is "considerably less" than the total of premiums under the individual classes of insurance.

The supplemental contract does not in any way affect the amount of insurance covered by the fire policy. In extending the policy to include certain specified additional perils, the amounts insured represent the total liability in respect to all perils including fire—the amounts insured are not applicable separately to each peril.

This additional cover obviates the necessity of taking out individual policies to provide against the various risks. Generally speaking, it is claimed that the cover given under the supplemental contract in respect to each of the perils is rather more inclusive than that given under the individual policies, and there is less danger of some particular type of loss being overlooked.

Contribution Clause

In commenting upon the supplemental contract, the Underwriters' Association points out that the same supplemental contract should be attached to all fire policies on any property, as it contains a "contribution" clause. In other words, if two fire policies are held on a dwelling, each for $5,000, one of which includes the supplemental contract, a loss of $1,000 from windstorm would mean that the insured would only collect $500. He only collects the portion of the loss which the supplemental contract policy bears to the total insurance.

It is stated that demand for the supplemental contract emanated from insurance agents. Difficulty has been found in selling some of the miscellaneous casualty coverages, particularly in the smaller centres. No very great immediate demand is anticipated, but it is believed that sales will gradually increase.

A similar contract was introduced in the United States a year ago by the Eastern Underwriters' Association, and is said to be meeting with a good degree of approval.

E. Newton Jory Author Of Special Post Article

The special article contributed last week to the Life Insurance Number of The Financial Post on the current attempt to boost the sale of one-year renewable term policies as against the ordinary "level" premium policies, was written by E. Newton Jory, C.L.U., Registrar of the Institute of Chartered Life Underwriters. Unfortunately the credit line to Mr. Jory was omitted.

Mr. Jory who is among the elder "statesmen" of Canadian insurance underwriters, is associated with the Great-West Life Assurance Co. at its Toronto Branch, No. 1. For many years he has been actively associated with promotional and educational work for the Life Underwriters Association of Canada and for the Institute of Chartered Life Underwriters. Both of these organizations have taken a constructive leadership in the interest of life insurance underwriting in Canada.

Canadian Cottons Adds New Shift at Marysville

From Our Own Correspondent

MONTREAL.—Canadian Cottons, Ltd., has added a night shift to operations at the Marysville, N.B., plant. This means work for 60 hands in addition to more than 400 now engaged. It is expected the night shift will continue for two months.

New Licenses

The following companies have been granted certificates of registry by the federal department of insurance to write the classes of business named in addition to those for which they are already licensed:

London Guarantee & Accident Co.—Earthquake civil commotion, and loss of or damage to property caused by vehicles limited to properties insured by the company against fire.

Canadian Indemnity Co. — Personal property and loss through acceptance of cheques or counterfeit money or through any kind of fraud practised upon the insured in the course of his regular business.

Canadian Fire Insurance Co.—Personal property.

Pioneer Insurance Co.—Falling aircraft, earthquake, and civil commotion limited to properties insured by the company against fire.

Canada Accident and Fire Insurance Co.—Inland transportation.

Scottish Union and National Insurance Co.—Inland transportation and personal property.

• • •

Reliance Insurance Co. of Canada has been granted a federal certificate of registry authorizing it to transact fire, burglary, explosion, hail, inland transportation, personal property, sprinkler leakage and tornado insurance, and, in addition, limited to properties insured by the company against fire, insurance against loss of or damage to property caused by vehicles.

Annuities Free Of Ontario Tax

Bill Exempts Annual Payments to Families Up to $2,400

So far as can be ascertained, the Ontario Government has blazed a new trail in the provisions of the amended Succession Duties Act respecting bequests which involve periodic payments.

Other countries and provinces have adopted the same principle—that of encouraging people to make provision for their dependents—but have introduced other methods of achieving it. In the United States, for instance, a lump sum of $40,000 of life insurance is exempt from succession duty. In British Columbia, the same method is followed, although the amount is $20,000.

In effect, the recently passed amendments to the Ontario Act provide that any bequest involving periodic payments will be free of succession duty when left to a dependent member of the immediate family. There is a maximum exemption on such bequests of $2,400, however, with a maximum to any one person of $1,200. Benefits arising from pension funds for employees are free of tax.

As an example, a policyholder may purchase an annuity which will provide $1,200 annually for his wife and a similar amount to his child. On his death, the capital value of these annuities is now exempt from succession duty. It should be noted that the provision applies to any periodic payment bequest. Monthly income life insurance policies and annuities in the form of a trust fund, would be covered.

Require Clarification

Several points have yet to be clarified in regard to the new provisions. As an instance, there is the matter of settlement option. Many life insurance policies are issued on the understanding that payment may be either in a lump sum or may be spread out in periodic payments over the lifetime of the beneficiary. It is not definitely known whether or not the tax exemption will apply where the periodic payment feature is not definitely specified in the insurance contract. A ruling of the government department will probably be required to straighten out this point.

Another change in the Act of interest to insurance men is deletion of the clause whereby, if a policy was made payable to the provincial treasurer, the estate was exempt from succession duty on the amount of the policy less the premiums paid on it, so long as this amount did not exceed the amount of the tax. This provision still applies on existing policies, but will not be granted on those contracted in the future.

Great-West Life Reports 23% Rise in 1937 Volume

In the first two months of 1937, the Great-West Life Assurance Co. experienced better business than in any of the last six years. New business was 23% higher than in the corresponding period of 1936, with the volume of business in force showing similar improvement.

Second Can. Int. Trust Is Formed in Montreal

From Our Own Correspondent

MONTREAL.—Letters patent have been taken out for the Second Canadian International Investment Company, and, it is understood, stock of the new investment trust will be placed on the market before long by W. C. Pitfield and Co.

Second Canadian International has an authorized capital stock of $3 millions, divided into 200,000 participating preferred shares of a par value of $10 each and 100,000 shares of common with a par value of $10 each.

Insurance Man Classifies Risks on Men Who Drink

What is an average good citizen as regards drinking habits?

This question was given considerable attention by Dr. J. M. Livingston, medical director of the Mutual Life Assurance Co. of Canada in an address to the Life Insurance Institute of Canada. The answer from a life insurance standpoint, as presented by Dr. Livingston, is as follows:

"Let us consider businessmen and executives who work under considerable pressure and mental strain, and responsible applicants generally who are over age 30, have good reputations, and are otherwise first class. If such individuals take two or three highballs or similar alcoholic drinks, on social occasions, to a point of mild hilarity, not oftener than ten times a year, I feel they may be may be classified as average good citizens.

May Be Beneficial

"It is believed by some that such drinking may be beneficial in that it assists these individuals to relax, and eases mental strain. Young men who drink to a point of mild hilarity, at social functions, not oftener than six times a year, may also be considered good citizens provided there is no history of drinking to intoxication, and provided the environment is satisfactory. We must, however, guard against unstable individuals who show a tendency to reckless behavior or to an increase in the number of drinking occasions. Those who drink more than above should be considered substandard. Those who drink to the point of marked intoxication 12 times a year should probably be declined.

"Spree drinking is serious and when there is evidence that the spree lasts for two or three days, the applicant should always be declined. Steady free users who are never intoxicated, and who average one glass of whisky per day, are standard risks if they have not abused this privilege and have reached age 45. Below this age they are probably substandard, and more so the younger they are. Those who use two or three glasses of whisky per day and are never intoxicated are definitely substandard risks even after age 40, and at the younger ages should be declined.

"Those who have reformed present an even more difficult problem, and one must consider the degree of excess before reformation, the length of time since reformation, and the age at which reformation took place."

Alberta Boosts Premium Tax

It is estimated that the increase in premium tax announced in the Alberta budget speech will cost insurance companies an additional $80,000 annually.

Alberta has had a 2% tax on premium income for some years. In each of the last five years temporary legislation has provided for an increase of 10% in the tax. In other words, the effective rate has been 2.2%. It is now proposed to increase this tax to 3%.

Insurance men have not yet been able to determine whether the increase is permanent, or merely temporary. In the latter case the tax would simply be placed on the same basis as has been exacted for the last four years in Manitoba and Saskatchewan. Both of these provinces have adopted temporary legislation calling for an additional 1% as well as the usual 2% levy on premiums.

Life insurance men point out that about 85% of their business is written on a participating basis. For this reason they contend that a tax on premiums is actually a penalty imposed upon thrifty citizens.

Westchester Fire Marks Centenary

Also Celebrates Canadian Silver Anniversary

The Westchester Fire Insurance Co. is this year celebrating two anniversaries, the centennial of its establishment, and 25 years of operations in Canada.

Birth of the company in the New York county from which it takes its name, was in the midst of one of the most severe panics in United States history. Banks which had received government funds on deposit were inclined toward recklessness in their loan policy. Wild speculation followed and culminated in a panic.

In the midst of the unrest, a small group of local men decided to establish an insurance company to serve the needs of a comparatively small community. Since that time it has developed into a continent-wide organization. Surplus to policyholders now exceeds $12 millions, more than twice the reserve for earned premiums. Losses paid out since organization amount to more than $166 millions.

The company entered the Canadian field in 1912, and is now licensed by the insurance departments of the Dominion and the provincial governments. S. M. Elliott and A. H. Vallance are joint Canadian managers.

Monarch Life Business Is Higher This Year

New paid business of the Monarch Life Assurance Co. shows an increase for this year to date of 27½% above 1936. Most substantial gains have been effected in Manitoba, Ontario and Quebec. In each of the last seven months the company has shown a gain in new paid business, and results for the first 10 days in March are also substantially better than in the same period a year ago.

Insurance Inklings

E. A. WARD, of the London Life, has been elected president of the St. Thomas Life Underwriters' Association.

A. PACE has been appointed branch manager of the Manufacturers Life at North Bay, succeeding C. LAURENT, who intends to devote his entire efforts to personal production.

J. W. GAFFNEY, of Calgary, has been appointed Manufacturers Life district manager at Twin Cities.

Ontario Fees Curb on Agents

Fire and Casualty Ranks Cut By 1,300 After Boost

About 1,300 fewer fire and casualty insurance agents will be licensed in Ontario this year.

Despite this reduction, the revenue accruing to the province from such fees will show an increase approximating 300%.

The explanation is twofold. In the first place, the amount of agency fees has been jacked up substantially from last year. And secondly, a more rigid investigation, whereby all new applications for licenses are submitted to an advisory board, has cut down the number of agents.

Figures for the first five months of the agency year, which ends Sept. 30, show that 5,200 agents have received licenses. Of this total, 1,900 are in Toronto. In the corresponding period a year ago, 6,100 licenses had been issued.

300 Yet To Be Issued

In the 1935-36 agency year, a total of 6,800 licenses was granted by the Ontario department. In other words, all but about 10% were issued in the first five months of the year. It is estimated that about 300 additional licenses will be granted in the remainder of the current year, bringing the total to 5,500, or 1,300 under last year's figure.

Despite the reduction in the number of agents, the higher fee has resulted in an increase of approximately $65,000 in revenue. In the first five months of the current agency year, the province received $86,500 in fees from fire and casualty agents.

Insurance Company Reports

Protective Association

A moderate increase in assets features the 1936 statement of the Protective Association of Canada. Total assets now amount to $288,302, the bulk of which comprises security holdings. These are carried in the annual statement at $241,188 $7,000 less than the values allowed by the department of insurance. Surplus now stands at 118,298, slightly higher than a year ago.

The company, which celebrates its 30th birthday this year, is the only all-Canadian organization issuing sickness and accident insurance to Masons exclusively. Since incorporation, it has paid out in benefits $4.6 millions.

Great-West Life

Detailed figures of 1936 operations of the Great-West Life Assurance Co., which were received too late for inclusion in Life Insurance issue last week are as follows:

Classes of Business Written:	Issued (Net)* 1936 $	Business in Force Dec. 31 1936 $
Annuities	4,149,597	18,528,026
Ordinary business:		
(a) Participating	24,302,444	401,506,448
(b) Non-partic.	15,711,605	119,580,264
Group—Ordinary	1,739,310	35,123,936
Group—Annuity	1,105,917	1,105,917
Totals 1936	47,008,873	575,844,591
1935 Paid-for basis	43,899,606	566,805,893

*Exclusive of increases and revivals.

Analysis of Invested Assets

	1936 %	1935 %	1934 %	1933 %
Bonds:				
Federal	12.30	11.65	10.17	8.92
Municipal	10.27	10.42	10.39	10.82
Prov. & state	14.16	11.84	8.74	6.45
Other	10.98	9.91	10.61	9.41
Total	47.71	43.82	39.91	35.60
Mortgages:				
Farm	13.68	15.11	13.50	15.96
Urban	16.11	17.84	19.28	19.71
Total	29.79	32.95	32.78	35.67
Policy loans	17.43	18.89	20.38	22.06
Stocks	.62	.42	.40	.44
Real estate	3.30	2.86	5.71	5.24
Other	1.15	1.06	.82	.99
Total	100.00	100.00	100.00	100.00

Other Information

1. Int. earned on invested assets, 1936, 4.23%. (On mean net ledger assets as reported to Dom. Superintendent of Insurance).
2. Consideration received from annuities, 1936: Ordinary, $864,738; group, $5,202.
3. Foreign Business—
   (a) Amount in force Dec. 31, 1936: Ordinary, $78,322,272; group, $17,074,825.
   (b) New business paid for: Ordinary, $10,725,515; group, $281,500.

Fire of Canada

Operations of the Fire Insurance Co. of Canada in 1936 resulted in a net profit of $89,976, compared with $72,372 in the previous year. Premium volume was slightly lower than in 1935, but loss experience was considerably more favorable, the net loss ratio for the year standing at 41.60%, as against 45.96%.

Total assets are up about $190,000 from the previous year, due in large part to an increase in the value of investments. Surplus has risen by almost $60,000 to $395,599, despite an appropriation of $120,000 to contingent reserve.

Comparative figures follow:

	1936 $	1935 $
Gross prems. written	504,941	509,538
Net prems. written	280,232	287,378
Loss ratio	41.60%	45.96%
Expense ratio	46.78%	44.48%
Total assets	1,528,741	1,338,227
Net profit	89,976	72,372
Surplus	395,599	336,029

Lumbermen's Casualty

Lumbermen's Mutual Casualty Co. reports premiums written in Canada during 1936 of $209,734, an increase of $2,000 from the previous years. Loss experience was less favorable, claims incurred mounting to $114,534 as against $77,976 in 1935. There was an underwriting gain for the year of $18,961, while current dividend savings returned to policyholders amounted to $40,691. Maintenance of the standard dividend scale accordingly resulted in an underwriting loss after payment of dividends to policyholders of $21,730. Net underwriting profit in 1935 was $34,360.

In respect to operations of the company as a whole, earnings increased to a new high record of $5.2 millions, a gain of more than $1.2 million over the previous year. Assets at the end of 1936 were up $4 millions at $26.6 millions. Premium income reached a new high of $22.2 millions, and after returning $3.4 millions to policyholders in the form of dividends, net surplus showed a gain of $512,333 to $3.6 millions.

Holdings of cash and Government bonds at the year end were more than half the total admitted assets. The company maintains a deposit of $300,000 with the Receiver-General for the sole protection of Canadian policyholders.

HALIFAX SHIPPING

MONTREAL. — Cargo handled through the port of Halifax last month amounted to 224,852 tons, of which 102,035 tons represented imports and 122,817 tons exports. Compared with the same month a year ago, imports show an increase of about 30,000 tons and exports around 34,000 tons. For the first two months of the current year inward cargo movement totalled 196,189 tons and outward movement 238,754 tons. During the like period last year, the inward movement totalled 220,302 tons and outward 187,212 tons.

$25,000 to $25,000,000
In 25 Years
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As we approach the 25th anniversary of our organization, we gratefully acknowledge the contribution which "L-M-C" policyholders and representatives have made to our progress through their confidence in and loyalty to the ideals of this institution. In twenty-five years, our assets have grown from $25,000 to $25,000,000.
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Since 1895
A Company whose reputation for PROMPT SETTLEMENTS is one of its greatest assets.
The CANADIAN FIRE INSURANCE CO.
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Selected Risks mean BIGGER DIVIDENDS for our POLICYHOLDERS
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Kelowna
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Saskatoon
Winnipeg
Toronto
Hamilton
Ottawa
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Quebec City
St. John
Halifax
By selecting only the highest type of risks this company is able to effect substantial savings for its policyholders, which are returned to them in the form of dividends. In 1935 $1,098,428 were distributed in this way.
NORTHWESTERN MUTUAL FIRE ASSOCIATION
Non-assessable Policies Assets $6,000,000.

The Wawanēsa Mutual Insurance Company
Canada's Largest Fire Mutual
A leading All-Canada Company — in volume; in strength; and in service to "select" property-owners and agents.
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And he can be a Good Friend too if . . .
YOU KNOW THAT WHATEVER TOMORROW MAY BRING FORTH YOUR LOVED ONES ARE PROTECTED AND SECURE.
Why not create an immediate estate for them through Life Insurance . . . and, incidentally, provide for your own old age. All this you may do with a Sun Life Family Protection and Retirement Policy.
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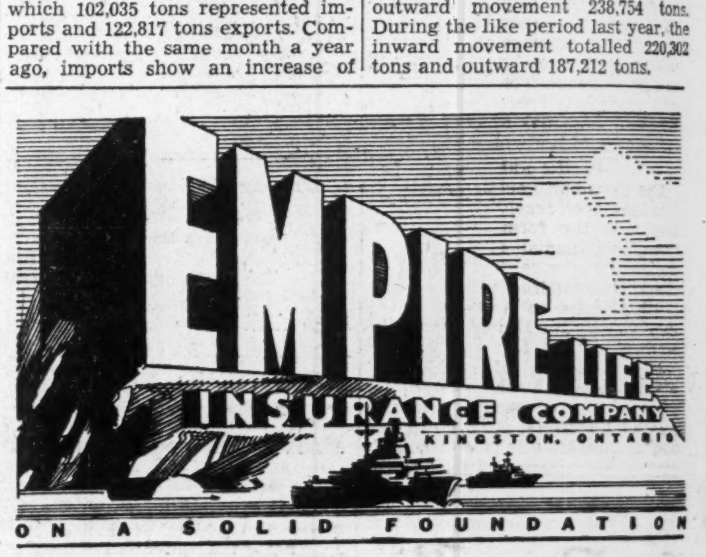

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Certificate Plan B: Issued by the Society affords outstanding protection. It provides an Old Age Benefit, payable in one sum, for the full amount of the Certificate, on the 60th birthday, or, payment in the event of death.
In addition, the Certificate provides a generous Disability Benefit of Ten Dollars a month, for each $1,000 of Protection carried. Payments of such benefit are not a charge against the Certificate when it becomes a claim, either as a result of death or old age.
The Certificate contains the usual automatic non-forfeiture privileges. Double Indemnity may be secured for the payment of a nominal sum.
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HEAD OFFICE, TEMPLE BUILDING, TORONTO, CAN.

FIRE
AUTOMOBILE
Assets Over $5,173,000
BRITISH AMERICA ASSURANCE COMPANY
MARINE
CASUALTY
Losses Paid Since Organization of Company in 1833 over $75,168,000
FAIRNESS AND QUICK ACTION IN THE SETTLEMENT OF CLAIMS
THE BRITISH AMERICA ASSURANCE COMPANY OF TORONO
TORONTO - CANADA

Use of Chinese Crews Provokes an Enquiry

Bitter Controversy Threatens When Ottawa Challenges Right of C. P. R. to Employ Oriental Labor on Pacific Ships

By CHAS. L. SHAW

If you have seen one of the Canadian Pacific's big Empress liners dock at Vancouver or Victoria you have been a witness to a unique and memorable event, and one that symbolizes as well as anything else the contact between Canada and her neighbors across the Pacific.

As the big white liner warps into the pier the Canadian officer sings out his command from the bridge. Down on the forecastle the command is repeated, but in a different language, by the yellow-skinned quartermaster and at his orders a small army of Chinese deckhands go to work, with much shouting and gesticulation, but also with efficiency. It is a colorful and exciting spectacle and one of the sights most worth while on the waterfront of Canada's Pacific ports.

But impressive as this sight may be to the casual onlooker, the effect on such men as Tom Reid, the Fraser Valley's bagpipe playing member of the House of Commons, and his colleague, Angus MacInnis, from Vancouver's East End, has been galling.

Scotsman's Protest

"Canadian taxpayers are paying subsidies to the Canadian Pacific to operate these ships," says Mr. MacInnis. "Why should this money go into the pockets of Chinese crews when our own Canadian seamen are on the beach?"

This protest is echoed by Tom Reid, and by several other members of the House of Commons, even by members from the Prairie Provinces who seldom see a ship, but who nevertheless take a keen interest in Canada's maritime affairs and regard solution of the unemployment problem as one of the most important tasks before the country.

When the ship subsidy matter came before the House, so loud was the chorus of protest that a committee was appointed by the Department of Trade and Commerce, headed by J. W. Kerr, to look into the whole question of the employment of Oriental seamen on Canadian transpacific steamships. The committee is now on the Pacific coast taking evidence from white seamen and representatives of the shipping company and making an independent survey of the whole situation.

Pacific Subsidies

The Canadian Pacific Ocean Services have been receiving $749,000 annually in the form of subvention from the Canadian Government for the Pacific service. It is a small figure when compared with the annual $5,863,533 paid to American steamship lines by the United States Government in the form of subsidies, over a ten-year period, and the lavish hand with which Japan subsidizes her transpacific cargo and passenger carriers. The whole question of subsidies is now being discussed in connection with the Canadian-Australasian service, where British ships are likely to be driven out altogether by American subsidies competition unless the bounties are increased. But that is a different problem and one not concerned basically with the aspect of Oriental employment on Canadian ships, which is the sole business of the Kerr committee.

Of the 2,033 men on the Canadian Pacific's Empress liners—crack 20,000-ton vessels—265 are white British officers. All the others are Chinese, including 277 deckhands. The total Chinese wage bill on the ships is $203,889 a year. If the Chinese were replaced by white Canadians the company would be paying out $929,808, on the basis that Canadian deckhands would receive $48.69 a month compared with the Chinese rate of $10.55 a month, and Canadian engine-room workers would receive $57.99 compared with the $10.83 now paid to Chinese.

Save on Wage Bill

This is the crux of the financial aspect of Chinese employment. Roughly speaking, the transpacific shipping companies can employ Chinese and save on their wage bill about 80 cents on the dollar. And, according to the Canadian Pacific officials, they can get just as good service, if not better.

"We have simply got to give the best possible service at the lowest possible cost," says Captain Edmond Aikman, general superintendent of the Canadian Pacific steamship organization at Vancouver, who seriously doubts whether Canada could muster a sufficient number of capable seamen to take the place of the Orientals now employed on C.P.R. ships.

"I have yet to be convinced," says Captain Aikman, "that you can mix whites with Chinese in the crew of a big ship operating in the Orient. One problem we have to contend with that most Canadians don't seem to realize is that a large percentage of our passengers are Orientals and much of our sailing time is spent in the Far East and in the tropics. It would not be at all satisfactory to have white stewards serving Chinese passengers, for instance, and white seamen are not temperamentally inclined to submit to the rigid discipline that must be maintained on Oriental liners. Seventy-five per cent of our passengers—Japanese and Chinese—want Oriental food. We must have Orientals to prepare that food and serve it."

British Subjects

Nearly all the Chinese employed on the C.P.R. ships are naturalized British subjects of Hong Kong, and nearly 50% of them hold Canadian lifeboat certificates. The charge that Chinese seamen become panicky in a crisis is denied by their officers who say that in an emergency the experienced Chinese sailor is as calm and resourceful as any white.

That is the contention of the C.P.R. The other side represented by Mr. Reid and Mr. MacInnis, the Canadian Amalgamated Association of Seamen and several other labor organizations, maintains that employment of Chinese on Canadian ships is an economic and social mistake, and they intend to fight for a change in the present setup.

"I wouldn't object so much to the employment of Chinese if they were paid the same wages as whites," claims Mr. MacInnis, who is a Socialist and believes that if a Chinese does the same work and as well as the white he should draw equal wages. He believes Canadians should have first call for employment on Canadian ships even though, as Hon. W. D. Euler, minister of trade and commerce, recently pointed out, there are some jobs aboard Pacific ships that white men would refuse to do.

The contention is that employment of whites would not cost much more in the long run because fewer men would be required. It is not suggested that all the Chinese should be fired but that 65% to 75% of the men aboard the Empress ships be white.

China's Attitude

A consideration that is not likely to be ignored is the possible effect on China's attitude toward Canada if there is a drastic change in employment policy. The Chinese consul-general for Canada recently made representations to Ottawa, expressing the hope that there would be no discrimination against his country and pointing out that the C.P.R. ships carry a large number of Chinese passengers and have played an important part in the development of $32 millions in exports to China in the last five years and nearly $15 millions in imports from China.

The enquiry on the coast is being held in camera, and the findings will probably not be announced for some weeks. The C.P.R. claims that in view of its employment of 56,000 Canadians at some $75 millions a year and its purchase of some $53 millions worth of supplies in Canada annually some latitude should be granted the company in trying to meet a difficult problem in foreign waters.

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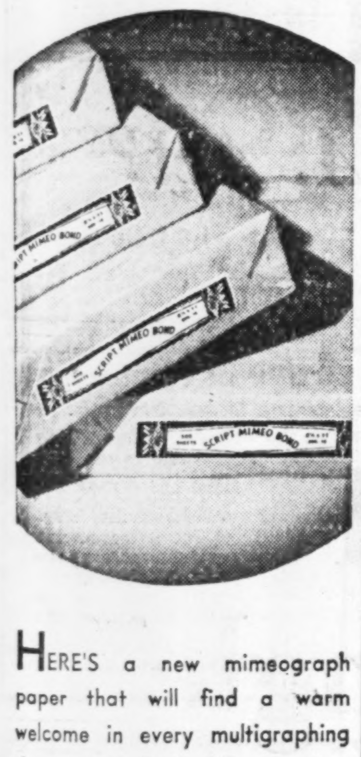

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Lower Net Income Shown By European Electric

European Electric Corp. (Canada) shows net income of $1,191,617 for 1936, after income taxes, interest, loss of $93,569 on sale of securities and other deductions. This contrasts with a 1935 net income of $2,190,052, including $86,945 loss on securities sold and profit of $30,744 representing excess amount received on original issue over cost of acquiring $603,000 debentures.

Book value of the corporation's investments at the end of 1936 was $26.9 millions, of which 89.96% represents securities quoted in lire on the Milan Stock Exchange. The marked value was $28.5 millions. Value of the balance of investments was not quoted, but was estimated at about $4.1 millions, making a total indicated value of all investments of $32.8 millions, compared with $38.6 millions at the end of the previous year.

Trade Shackles Broken

New Agreement with United Kingdom Frees Canada's Hands in Negotiating Trade Treaties with Outside Countries

By GORDON L. SMITH

OTTAWA.—Canada is now free to make special trade treaties with any co-operating country.

While some new concessions were granted the United Kingdom in the recent trade agreement, at the same time shackles which would seriously limit this country's trade bargaining powers were removed. This untying of Canada's hands is really the big story behind the U.K. trade agreement which went into effect a fortnight ago.

Remove Most Frozen Items

In the original Ottawa agreement of 1932, Canada undertook to grant a definite margin of preference, in some cases well over 20%, on 215 items. These, then became frozen items and practically no further bargaining with them was possible. No changes whatever could be made without consulting and securing the agreement of the other partner. This list, too, was a point of aggravation to other countries and particularly to Canada's neighbor the United States.

Now in the present agreement, the list has been cut from 215 to 91 and on many items in the latter group the guaranteed margin has been reduced from 25 to 20% or in similar proportions.

Aid Impending Treaties

In view of impending new trade agreements with Belgium, the Netherlands and Italy and the possibility of revision of the present agreements with France and United States, the freeing of the great majority of formerly frozen items is regarded as one if not the major achievement of the new agreement.

Many of these items are of the greatest importance to Canadian industry and their inclusion in the 1932 agreement caused considerable dislocation. In this connection there were such things as gums, glues, acids and chemicals, products that are used extensively in paint, furniture, automobile and other industries. Some of these could be secured from Great Britain satisfactorily but others could not. Cheaper supplies and better suited to the Canadian trade are often available in United States and Germany. Now the guaranteed margin of preference is off.

Valuable Steel Concession

In the same category, too, are hot and cold rolled strip steel, cutlery, small tools, processed aluminum products, highway construction equipment and mining machinery. The Canadian Government is now free to bargain with these valuable gifts in its possession. It can grant special tariff concessions on anything in the list to any country disposed to buy more freely from us.

When, for instance, the present United States trade agreement comes up for renewal negotiations, Canada will now be able to offer important concessions in these steel products in exchange for further tariff favors on products of which we have or could produce a surplus.

Incidentally, however, The Financial Post was informed from a reliable source, that trade negotiations with United States are not expected. The present agreement which came into effect Jan. 1, 1936, has almost two more years to run and it is expected that other countries, especially the Netherlands, Belgium and Italy which have no trade agreements but are eager to negotiate them are next in line.

Revision of U.S. Pact

It is considered possible, however, that there may be some relatively minor extensions on the present U.S. pact. At the time it was signed, for instance, President Roosevelt was watching the coming elections in Maine very closely. Evidently he attached some significance to the old legend "as Maine goes so goes the nation." In any case he was loath to make more than a partial concession toward Canadian potatoes, because the latter product is one of the principal outputs of the state in question. But Maine went Republican, though elsewhere the United States backed Roosevelt in overwhelming fashion.

It is now considered possible that some further concession might be made in regard to potatoes in exchange for say, some special preference on some of the steel products released in the U.K. trade treaty. Such a move would not embarrass the Democratic administration at Washington, because Maine apparently is hopeless in the Democratic sense and it might prove of very big advantage to a Liberal administration at Ottawa anxious to support admittedly hard-pressed forces in potato-growing New Brunswick.

Another valuable item now freed from guaranteed margins of preference is cotton fabrics and yarns. Here again is the return to the Canadian Government of what is considered a valuable bargaining card.

Of the 90 odd items retained on the preference list the margin of preference has been reduced on 21. Leader in this class is plate glass. Owing to complaints of cartels, the Canadian Government immediately reduced this item to the full extent as a present both to her own consumers and to exporters such as United States and Belgium.

Other important items in the reduced group are chemicals, acids, aircraft, and line fabrics.

U.K. Market Open

In natural product concessions, it is claimed in official quarters at Ottawa that a comprehensive study of the recent agreement will show that Canada has practically maintained all the market outlets formerly guaranteed by the United Kingdom in the Ottawa pact.

Wheat, lumber, base metals, bacon, etc., are all guaranteed free entry. True there is the possibility of a British tariff on a few lines of dairy products, the output of which is being extensively encouraged in the United Kingdom, but here an Empire preference is assured. Furthermore, while the new treaty is only definite for three years, then runs on indefinitely, subject to a six months' notice, it is pointed out at Ottawa that many items in the original Ottawa pact were only guaranteed for three years and not five as was somewhat generally understood.

Why Free Files?

When the new treaty was first announced, observers were somewhat puzzled to note that Canada had garanteed a free entry to the United Kingdom on certain manufactured products, such as files, which this country exports in large quantities. The reason for this move, it is explained to The Financial Post was to ensure that our exports would still maintain their free entry in Great Britain.

So long as we had a tariff against certain products which enter Britain free, there was a danger, it was stated, that the British manufacturers of these products would demand a protective tariff against Canada. By making the trade completely reciprocal, that danger, it is believed, has been removed.

It may not be generally known that Canada enjoys a very substantial export in a considerable line of manufactured products to Great Britain. These not only include the files already mentioned, but also vacuum cleaners, washing machines, many lines of household equipment and certain farm machinery.

Frozen Items Are Released

In her new trade treaty with the United Kingdom, Canada has gained a new and favorable basis on which to work in negotiating trade agreements with other countries.

In the accompanying article it is pointed out that the Anglo-Canadian pact of 1932 through its guaranteed margin of preference withdrew 215 items from a list of possible concessions with which this Dominion might bargain for reciprocal tariff advantages. Under the 1937 agreement, 124 of these have been released from the category of frozen items.

Twin Mac Sales Campaign Is Questioned in Britain

From Our Own Correspondent

MONTREAL.—The Better Business Bureau of Montreal has issued a bulletin following upon a Canadian press cable from London saying that Thomas Johnston, former Labor Cabinet minister, intended to ask the Attorney-General in the House whether his attention had been drawn to the "distribution through His Majesty's mails of thousands of printed invitations to the people of the United Kingdom to invest in Twin Mac Gold Syndicate, of Montreal.

The Bureau's bulletin follows:

"From the number of enquiries received by the Bureau, it would appear that this company has a wide mailing list in the United Kingdom, and among other literature forwarded through the mails is a subscription blank, which reads in part as follows. Enclosed please find my cheque for £10 in payment for one share unit in your gold syndicate.

"It is understood that with this subscription I receive an option to purchase nine more units, if I wish, at the original £10 price—AFTER COMPANY HAS FOUND GOLD.

Outline Corporate Set-up

"According to information furnished by the company, Twin Mac Gold Syndicate Ltd. was incorporated by Quebec Letters Patent issued on Sept. 12, 1936, authorizing a capital of 10,000 share-units of $10 par value.

"Five thousand shares have been issued for properties or other consideration. This stock is not pooled. The company acts as its own selling agent and no commission is paid.

"The officers are: President, Joseph Pierre Quesnel, Montreal, manufacturers' agent; secretary-treasurer, J. A. Gervais, Montreal, prospector; directors: J. E. Rochon, Montreal, president, Loyal Canadian Paint Ltd., secretary-treasurer, Provident Insurance Co.; Horace Quenneville, Montreal, secretary, Corroon & Reynolds (Canada) Inc., insurance underwriters; P. E. Devine, Quebec, wholesale merchant; Ademar F. deChaunac, Niagara Falls, Ont., industrial chemist.

"Properties consisting of 1,050 acres located in Dubuisson Township, Quebec, are held under mining license.

"While consensus of engineers' reports (copies of which were supplied the Bureau by the Twin Mac Gold Syndicate Ltd.) states the property is worthy of preliminary exploration, sources consulted in this connection indicate that so far little but assessment work has been carried out.

"The company is not registered as a security issuer under the Quebec Securities Act, it being claimed by officers of the company that such procedure is not necessary owing to the fact that shares are not being offered for sale in Canada.

Offered at Premium

"The Better Business Bureau would point out that the $10 par value share-units are offered at £10 or $50 Canadian currency."

Public Warned

Under the heading "Cautionary Notes," the Investors' Chronicle of London, England, is critical of the promotional background of Twin Mac Gold Syndicate. The Chronicle states:

"On its own showing the company is an absolute speculation so far for in discussing the various rich gold mines which as usual in such cases always lurk in the vicinity, the circular tells us that only a short time ago 'these were mere prospects with no better geological indications than our own.' Most of the flamboyant documents under discussion consist of the usual spellbinding remarks regarding the wonderful possibilities of gold mining in Canada, but those who are inclined to be susceptible to such blandishments should reflect that Canada could soon find the capital for such a promising young proposition as this is made out to be and that there is nothing specially impressive in such remarks as 'no person will ever be permitted to risk more than £10 until we have found gold on our property.'"

The British Government does not intend to take any action against use of the mails by the Twin Mac Gold Syndicate, of Montreal, for the distribution of promotional literature.

Replying to a question in the House of Commons by Thomas Johnston (Labor), the Attorney-General said there were obvious difficulties in the way of increasing the post office powers in the manner suggested.

Rackets

Slot Machines

The slot machine racket so well entrenched in many American cities has spread to Canada during the past few years, and for a time threatened to exact almost as great a toll as in the United States from the general public, as well as from retailers, restaurant operators and others in whose establishments the machines were placed. In recent months, however, police and Crown authorities in Winnipeg and other western centres, and in Toronto, Ottawa and elsewhere in the East, have "cracked down" on the growing operation of the devices with raids, seizures and court convictions.

The drive is directed chiefly at the type of machine which at "lucky" intervals emits slugs redeemable for cash or merchandise, but to a certain extent also against the pin-ball and similar devices on which high scores are often rewarded by prizes in money or goods. In addition to the undesirable gambling factor and the fostering of a taste for gambling among young people, the machines are disapproved because of their adjustments which give the "sucker" little chance of a return for the money inserted.

Tests in Florida not long ago revealed that in one city during a 30-day period, 150 machines took in $6,000 and paid out only $727, leaving a residue of $5,273 of "sucker" money. A report in "Drug Merchandising" gives slot machine players no more than a seven-to-one chance of getting back the money put into the machines.

The most undesirable and alarming aspect of the racket during the past year was the appearance of American gangster-type promoters of sale and operation of the machines. Where ordinary persuasion and other pressure failed to induce a retailer, restaurateur or pool-room proprietor to install machines, threats were resorted to or premises damaged. Cases were actually reported in which slot machines were stolen at night and sold back to the lessee the next day under threats of personal violence or further damage to premises.

In Toronto, the raids were preceded by decision of the Police Commission to refuse or cancel business licenses if slot machines appeared on the premises involved.

Youth Committee Budget Slashed

From Our Own Correspondent

OTTAWA.—No final decision has been reached on the expenditure of the million dollars provided in special supplementary estimates for youth employment plans.

The draft programme of the Youth Employment Committee of the N.E.C., called for a sum of $7 millions.

The Committee subsequently reduced its budget to $4 millions. The labor department eliminated two or three sections and cut it down to $2½ millions. Then the treasury board took another cut at it and made it $1 million.

There is some possibility, as a result of representations, that the sum will be restored to $2½ millions in the supplementaries still to come down.

Massey Sales $19 Millions

1936 Volume Double 1932 and 1933 But Only Half 1928 and 1929

T. A. Russell, president and J. S. Duncan, vice-president and general manager, informed Massey-Harris shareholders at the recent annual meeting that sales for 1936 were approximately double those of the years 1932 and 1933, but were only about half the volume of 1928, 1929 and 1930.

Mr. Duncan's appointment to the vice-presidency was announced following the annual meeting. He joined the company in 1910 and was made general manager in 1935.

Mr. Duncan stated that in 1936, sales were only $27,000 short of $19 millions. This compares with $14.3 millions in 1935, $12.5 millions in 1934, and $9.7 millions in 1933 and in 1932.

JAMES S. DUNCAN

"Unless there are setbacks, the more or less general improvement in the farmers' position throughout the world, together with the undoubtedly tremendous backlog in the implement market, would appear to justify our anticipating further improvement in 1937," stated Mr. Duncan.

President's Comments

Mr. Russell stressed the point that the rearrangement of the sinking fund means that it is necessary to retire only $2,450,000 of the company's 5% bonds between 1937 and maturity in 1947, instead of retirement of $8.6 millions as would have been necessary without this adjustment. He also pointed out that the company must retire a further $2 millions of bonds before making any cash dividend payments. Even with redemption of this extra $2 millions, however, he stated the total of redemptions required in the 10 years had been reduced to $4,450,000 from $8.6 millions.

Mr. Russell reaffirmed the opinion expressed a year ago that the company's inventories and receivables represent sound value.

Value of field crops in Canada in 1936 rose $87 millions or 17% above the 1935 level, said Mr. Russell. Coupled with increased sales of livestock, this raised Canadian farm income 11% above 1935 and 43% above the 1932 low. Mr. Russell pointed out that the price index of Canadian farm products was below the level of all commodity prices in 1932, but that by 1936 farm products had risen to 3% above the general price index.

Dosco Offers New Wage Pact

Officials of Union Will Submit Agreement to Workers

From Our Own Correspondent

SYDNEY.—A settlement governing wages and working conditions of 10,000 miners employed in the Nova Scotia coal fields controlled by District No. 26 U.M.W. has been announced in a joint statement issued by Dosco and U.M.W. officials. The terms of the settlement will be placed before the miners for their acceptance or rejection. They are the result of eight weeks deliberations. The new contract to cover a two-year period includes:

(1)—Nine per cent increase for all workers who are now being paid $4 per day and less.

(2)—Six per cent increase for all workers whose wages are now over $4.

(3)—Six per cent increase to all workers paid on contract rates. The old contract between Dosco and the U.M.W. expired on Jan. 31, 1937. It is expected that the wage referendum will be held as soon as possible.

Colonial Gold Mines Starts Drilling Drive

From Our Own Correspondent

MONTREAL. — Colonial Gold Mines has undertaken a diamond drilling campaign, calling for a minimum of 2,000 feet, which should be completed within the next 60 days.

This drilling programme is confined to the No. 9 vein which shows a width of over 26 feet on the surface and a length of over 1,200 feet. Recent samples taken from the vein are reported to have shown good values.

Montreal Stock Values Higher During February

From Our Own Correspondent

MONTREAL. — Securities listed and traded on the Montreal Stock Exchange and Montreal Curb Market had a total value of $8,996 millions at the end of Feb., 1937. This represents a gain of $263 millions over the previous month, and an increase of $1,219 millions over that reported at the end of February a year ago.

Values in five of the nine classifications registered advances. Banks, Government bonds, investment bonds, and unlisted stocks on the Montreal Curb Market reflected declines. Excluding bonds, the total value of all stocks traded amounted to $6,787 millions, an increase of $315 millions when compared with the previous month.

NOTICE

IN THE MATTER OF debentures issued by the City of Edmonton, Alberta, Canada

NOTICE is hereby given to all parties holding City of Edmonton debentures that the Council of the said city has made application to the Board of Public Utility Commissioners of Alberta for the holding of an enquiry into the financial affairs of the said City, in accordance with the provisions of Part IV of the Public Utilities Act of Alberta,

AND NOTICE is further given that the Board has fixed Thursday, the 15th day of April, 1937, commencing at 10.00 o'clock in the forenoon, in the Council Chamber, Civic Block, Edmonton, as the time and place for the opening of such enquiry.

(Signed) G. A. THIBAULT,
Secretary,

Alberta Board of Public Utility Commissioners,
Administration Building, Edmonton, Alberta.

Vulcan Oils Stock Listed in Toronto

Company Holds Interest in Three Alberta Fields

Stock of Vulcan Oils has been approved for listing on the Toronto Stock Exchange. Trading started Mar. 8.

Vulcan Oils, incorporated with an Alberta charter in 1925, has an authorized capitalization of 500,000 shares, $1 par value of which 399,898 are issued. Of the outstanding stock, 344,898 were sold for cash, while 50,000 were issued for properties and 5,000 paid to drillers in 1926.

The company holds interests in a total of 160 acres on the Turner Valley structure, 160 acres on the Del Bonita structure, and a one half interest in 520 acres adjacent to a property on which the Hunter Valley well is now being drilled.

Vulcan has the following royalty interests: 4¾% in Carleton, 3½% in Sterling, 10% in Sovereign, 10% in B. & B., 13% in Turner Valley, 5% in Newfold, 3% in Westside, and 4,000 shares in National Petroleums.

As of Feb. 27, current assets amounted to $65,458 of which $54,546 was cash in the bank. Against this, current liabilities were $150 with provision for income tax of $4,012. Royalty assets were placed at $325,685, and other assets $66,284, less $14,331 reserve for depletion.

Quebec Accidents

Automobile accidents causing personal injury and property damage amounting to $50 or more in Quebec last year numbered 8,488, of which 4,499 were in Montreal.

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BALANCE SHEET AS AT DECEMBER 31, 1936

ASSETS

Mortgages and Agreements: (Including Accrued Interest):		
First Mortgages and Clear Title Agreements		$ 989,286.59
Real Estate, Clear Title		73,092.31
Cash on Hand and in Bank:		
Cash on Hand	$ 1,732.53	
Royal Bank of Canada	35,238.58	
Canadian Bank of Commerce	752.83	
	37,723.94	
Less Outstanding Cheques	2,761.72	34,962.22
		$1,097,341.12

LIABILITIES

Liabilities to the Public		Nil
Deferred Earnings:		
Unearned Discounts re Agreements Purchased		960.20
Capital Surplus and Reserve:		
Capital Authorized	$20,000,000.00	
Capital Subscribed	$ 5,116,900.00	
Capital Paid Up	930,994.73	
Reserve and Undivided Profits	65,386.19	
Reserve for Contingencies	100,000.00	
		$1,096,380.92
		$1,097,341.12

Winnipeg, January 22, 1937.

We have audited the books of International Loan Company for the year ending December 31st, 1936, and hereby certify the above Balance Sheet to be, in our opinion, properly drawn up so as to exhibit the true and correct financial position of the Company as at December 31st, 1936, and to be in accordance with the books and records. The cash and bank balances have been verified and all securities examined and found in order. We have received all the information and explanations required, and, in our opinion, all transactions that have come within our notice have been within the objects and powers of the Company.

DAVID COOPER & COMPANY, Accountants and Auditors.

President	Vice-President,	Managing Director,	Sec.-Treas.,
H. F. M. Ross, M.A.	Andrew Wishart	Geo. W. Argue, M.D.	Clifford Dick, M.A., LL.B.

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As from January 15th the rates for rooms will be as follows:
Single room without bath, $2.50; running water and toilet.
Single room with shower, $2.75.
Single room with bath, $3.00.
Single room with tub and shower combination, $3.50.
Double room without bath, $4.00; running water and toilet.
Double room with bath, $4.50.
Double room with tub and shower combination, $5.00.
Twin bedrooms with tub and shower combination, $5.50.
Soliciting your appreciated patronage,
H. F. STRUCKETT,
Manager.

Bank Chat

Alberta Taxes

BANKERS estimate that if Alberta's proposed levy of 1/10 of 1% on banks' capital stock goes through, taxes paid to the Provincial Government will be more than trebled. The subscribed capital of the seven banks operating in the province amounts to $133 millions, so that the new tax would net the province some $133,000.

It is felt that the Government's action may well act as a boomerang. The banks have pointed out that they have been operating at a substantial loss in Alberta for a number of years. If that loss is then increased by higher tax levies, it appears probable that the banks will cut down the number of branches they now maintain in Alberta. Naturally, the least profitable would be closed first, and this might seriously affect the rural districts.

* * *

Minimum Wages

THERE has been much discussion in Ontario as to whether or not bank clerks would be—or should be—included in the Provincial Government's proposed white collar Minimum Wage Act. Most of this has been premature. The Financial Post has been informed by officials of the Provincial Department of Labor that no decision has been made as to what occupations will be affected, what minimum wage will be established. These matters will be left with an administrative committee which has yet to be appointed.

For years, the subject of salaries paid by banks to junior employees has been discussed spasmodically. Nonbankers are inclined to be somewhat harsh in their judgment. Bankers, on the other hand, attempt to justify the relatively low wage scales on the ground that most juniors enter the bank as striplings of high school age—few applications are received from university graduates—and for a time must be regarded merely as apprentices. As such, they begin work at from $300 to $500 a year. After, say, a ten-year period, the average young banker should be earning at least $1,250 or $1,500.

The president of one of the chartered banks stated the other day that most juniors can "almost certainly" expect to become branch managers. And he went on to point out that at a salary of $3,000 a year the small town banker earns more than the local doctor or lawyer, is secure, and is one of the best paid citizens in a community where expenses are low.

Staff Changes

The Bank of Montreal has announced the following appointments:

T. MATHESON, formerly manager at Dauphin, to be manager at Yorkton, Sask.

W. A. SHIELDS, formerly manager at Yorkton, to be manager at Brandon, Man.

W. R. H. ARUNDELL, formerly manager at Brandon, to be manager at Galt, Ont.

A. D. HARPER, formerly manager at Galt, to be assistant superintendent of British Columbia district at Vancouver.

D. McKENNA, formerly superintendent of British Columbia district, to be assistant superintendent of Ontario district at Toronto.

H. BROOKS, formerly assistant superintendent of Ontario district, to be assistant manager at Montreal.

W. J. FLOYD, formerly accountant at Lucknow, to be manager at Wales, Ont.

W. H. CLAYTON, formerly manager at Wales, to be manager at Acton, Ont.

H. I. G. FRASER, formerly manager at Acton, to be manager at Tillsonburg, Ont.

The Imperial Bank has announced the following changes in staff:

R. D. FORRESTER, formerly accountant at Weyburn, Sask., to be manager at Handel, Sask.

J. T. TUSHINGHAM, formerly acting accountant at West Toronto, to the accountant's department at Yonge & Queen, Toronto.

J. A. FERRIER, formerly at Bathurst & Dupont Sts., Toronto, to be acting accountant at West Toronto branch.

K. N. K. ALLAN to be manager at Bourlamaque, Que.

The Royal Bank has made the following appointments:

J. H. E. LEHOUX, formerly accountant at St. Denis & St. Catherine, Montreal, to be manager at St. Denis & Belanger, Montreal.

A. S. HILL, formerly manager at Brampton, Ont., to be manager at Walkerville, Ont.

L. R. NEWMAN to be accountant at Winnipeg.

The Canadian Bank of Commerce has announced the following changes in staff:

C. L. JEWELL, formerly manager at Guelph, to be an inspector at head office.

R. P. FINDLAY, formerly manager at Sydney, N.S., to be manager at Guelph, Ont.

B. M. LOVE, formerly accountant at Fredericton, N.B., to be manager at Middleton, N.S.

A. A. LOVE, formerly manager at Truro, N.S., to be manager at Sydney, N.S.

D. A. SANDILANDS, formerly manager at Middleton, N.S., to be manager at Truro.

The Provincial Bank has made the following appointments:

L. DUFOUR, formerly at Three Rivers, to be manager at Ottawa and Pillette Sts., Windsor, Ont.

A. E. STYLES, formerly manager at Sackville, N.B., to be manager at Drouillard and Charles, Windsor, Ont.

Weekly Bank Clearings

	Mar. 11 1937 $	Change Year Ago %	Mar. 4 1937 $
Halifax	2,439,249	+18.0	2,897,106
Saint John	1,807,243	+15.2	2,182,461
Moncton	596,159	+ 6.4	757,516
Sherbrooke	599,846	+28.6	616,969
Quebec	4,161,266	+ 9.8	5,612,712
Montreal	112,625,319	+17.9	130,850,796
Ottawa	25,476,572	+60.9	29,315,072
Kingston	502,566	— 0.1	552,880
Peterborough	545,591	— 5.7	500,778
Toronto	125,903,046	+14.7	190,051,757
Hamilton	4,132,008	+ 1.9	5,695,325
Kitchener	914,734	+ 5.0	1,280,933
Brantford	888,530	+15.9	1,121,375
London	2,529,866	+ 3.3	3,084,230
Chatham	526,887	+13.3	492,576
Windsor	3,018,702	+17.5	3,337,282
Sarnia	445,449	+10.3	499,497
Sudbury	830,232	+ 3.6	1,053,041
Fort William	679,976	+64.2	753,529
Winnipeg	8,603,013	—33.4	33,154,952
Brandon	227,374	— 6.6	295,704
Regina	2,952,065	+13.8	2,893,023
Moose Jaw	507,859	+12.6	563,581
Saskatoon	1,124,309	— 1.7	1,416,520
Prince Albert	309,849	+ 9.8	332,433
Edmonton	3,343,849	— 2.0	4,177,311
Calgary	5,905,244	+16.6	6,396,585
Medicine Hat	165,306	+52.1	214,538
Lethbridge	358,309	— 9.0	392,866
N. W'minster	595,253	+18.4	799,567
Vancouver	19,963,895	+27.7	24,185,783
Victoria	1,728,200	+ 7.0	2,183,541

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Loans Reflect More Activity In Securities

Bank Advances For Market Trading Up During Past Year

Comparison of borrowings from the Canadian chartered banks during 1936 and 1935 by various industries and groups reflects mainly the influence of improved security markets and liquidation of surplus grain holdings in the past year.

More active security operations have exerted a two-way effect. On the one hand they have enabled borrowers from the banks to fund their obligations, thus curtailing outstanding loans. And on the other, the demand for loan accommodation to finance security transactions has substantially increased the volume of the banks' financial advances.

The first of these is most clearly illustrated by loans to public utilities. When the banks made their report last March showing the classification of their loans at the preceding October, public utility loans were carried at $71.3 millions. Recently, the banks' annual return was once more tabled in the House of Commons, in which the position last October is shown. In this report, public utility loans have dwindled away to $8.4 millions.

Large Loan Repayment

The explanation lies largely in repayment during the year of the $48 millions balance of the loan made jointly by the banks under government guarantee to the Canadian Pacific Railway. This loan was made at a time when the security markets were not favorable to the flotation of such a large utility issue, but confidence had been restored to such an extent by last year that the loan was funded. Some of the other public utility concerns were successful in similar ventures.

Loans to provincial governments are halved in the latest classification, and a considerable reduction has been made in those to municipalities and school districts. In part this is regarded as funding of bank borrowings, and to some extent improved tax collections and repayment of borrowings contracted in anticipation of relief contributions by the Federal Government.

Financial loans made by the banks were more than $50 millions higher than in the previous year. This is largely attributable to a combination of more active security markets and higher security prices.

As might be expected, the most substantial decrease in loan volume appears in agricultural loans. It is significant, however, that although loans to farmers, cattle dealers and fruit raisers declined 10% to $54 millions, the major decline was in those to dealers and exporters of grain and to seed merchants. At Oct. 31, 1936, these stood at only $64.5 millions, compared with $166.4 millions in 1935.

This is attributable in large measure to the change effected Jan., 1936, in the Government's wheat policy. On the 10th of the month, holdings of the wheat pools which had been maintained for the previous five years under government guarantee to the banks were finally taken over by the wheat board. As a result, advances from the chartered banks were no longer necessary and the loans which the board formerly contracted to carry futures, were paid off.

The rapid liquidation of the wheat surplus last year also accounts for a reduction in dealers' and exporters' loans. Most bankers took the view at that time, and still hold it, that it is healthier to have the wheat situation in hand than to keep loans high and grain hoarded.

Reflecting improved business conditions and higher commodity prices, loans to general manufacturers were materially higher at $130 millions compared with $119.2 millions in 1935, and loans to wholesale and retail merchants also moved up. Fishing loans show a slight increase, with very little change in mining and miscellaneous classifications.

Comparative figures of the 10 chartered banks as at the end of October, are as follows:

ALL CHARTERED BANKS

Borrowers:	Amount (Millions of dollars) 1936	1935
Prov gov'ts	14.7	29.7
Mun. & school dist.	92.0	96.8
Farmers, cattle loans	54.0	60.0
Grain dealers, exporters	64.5	166.4
Call loans	97.4	66.7
Financial instit.	73.8	63.1
Individuals	111.5	101.2
Merchandising	115.9	113.8
Mfrs. lumber & prods.	64.9	73.0
Other manufac.	130.0	119.2
Mining	6.9	6.8
Fishing	8.2	7.2
Public utilities	8.4	71.3
Construction	23.7	24.1
Charitable & relig.	14.8	16.1
Other loans	52.8	52.2
	933.5	1,067.6

No more recent figures of the banks as a whole will be available for another year. However, in order to bring the comparison as close as possible to the present, The Financial Post has obtained from the Canadian Bank of Commerce a statement showing its loans at the end of January. These figures cannot be taken as entirely representative, but serve to indicate the general trend.

It will be noted from the comparative table below that since October, there has been a slackening in the borrowings of most of the classifications shown. Much of this is of a seasonal nature. The main exception to the downward trend is financial loans which mirror a still very strong security trading interest.

Comparison with the previous January is perhaps more enlightening, although allowance should be made for the sharp decline in public utility borrowings as mentioned above. While financial loans are once more the dominant item in this comparison, it is significant that loans to merchandisers have perked up, with most other classifications holding just about even.

The comparative Bank of Commerce figures follow:

BANK OF COMMERCE

Borrower:	Amount (Millions of dollars) Jan. 1937	Oct. 1936	Jan. 1936
Govt. & mun.	30	31	32
Farmers, cattle loans	15	16	16
Grain dealers, export.	25	29	25
Flour millers, export.	8	7	6
Other food prod.	7	11	7
Financial (inc. call)	62	58	49
Individuals	13	12	10
Merchandising	19	20	13
Forest prod.	6	5	6
Manufact. (inc. mines)	16	18	16
Public utilities	1	1	9
Construction	5	7	6
Charitable & relig.	3	3	3
	210	218	198

Bank of Canada Weekly Statement

Major change in the balance sheet of the Bank of Canada during the week ended March 10 was an increase of $2.3 millions in deposits of the chartered banks. Following a rise in the previous week, miscellaneous assets and liabilities were both sharply lower.

Balance Sheet

Liabilities	Mar. 10 $	Mar. 3 $
Capital paid-up	10,100,000	10,100,000
Notes in circ.	120,836,857	120,500,953
Rest fund	743,716	743,716
Dep.: Dominion	24,269,939	26,145,085
Banks	197,713,393	195,437,691
Other	1,963,309	1,654,753
Total deposits	223,946,642	223,237,530
All other liabs.	2,375,523	8,431,897
Total liabs.	358,002,738	363,014,095
Assets		
Reserve: Gold	179,392,212	179,407,608
Silver bullion	2,340,596	2,317,290
Res. in sterling and U. S.	17,538,635	15,215,895
Total reserve	199,271,443	196,940,793
Subsidiary coin	233,047	179,613
Investments:		
Dom. Govt. short.	52,560,611	53,770,993
Other Dom. Govt.	101,820,120	101,840,052
Total invest.	154,380,731	155,611,045
Premises	364,097	364,095
All other assets	3,753,420	9,918,549
Total assets	358,002,738	363,014,095
Reserve ratio	57.79%	57.29%

Collection by draft

Older perhaps than any other feature of the business world is the custom of *draft and acceptance*. The seller draws, the buyer accepts—and the draft is a "bankable document".

Promptness is a First Principle with us

112

IMPERIAL BANK OF CANADA
HEAD OFFICE-TORONTO
BRANCHES THROUGHOUT CANADA

MANAGER

R. L. Crombie, assistant manager of the Montreal office of The Royal Trust Co., who has been appointed manager of the company's Toronto branch. He succeeds Bruce L. Smith, who has been named a member of the company's Toronto advisory board on his retirement from the Toronto managership after 22 years in that post.

Savings Offices Deposits Higher

Deposits with the Province of Ontario Savings Offices increased from $32.1 millions to $37.5 millions during the calendar year 1936. Number of branches at the year end was 25.

Cost of the Savings Office money was substantially reduced during the year, due largely to a decrease in interest rates last July. At that time, the rate on deposits of $10,000 or more was cut from 2½% to 2%, and the rate on balances less than $10,000 from 2% to 1½%. In 1935, the average cost of deposits was calculated at 3.11%. It is understood that the 1936 figure will show a reduction of just about the amount of the reduction in interest paid on deposits. The resultant rate of about 2.70% will be the lowest in history.

Individual accounts increased by almost 5,000 last year and now number more than 100,000.

Canada Exchange Fund Merely Profit Account

Midland Bank Points Out Canadian Fund Does Not Influence Currency Values as in Great Britain and the United States

Perhaps most mystifying of modern monetary inventions is the exchange stabilization fund.

Most people know vaguely that many of the world's leading countries have set up such a fund for the general purpose of regulating the foreign value of their currencies. It is known that the international currency agreement entered into last fall by Great Britain, the United States and France is maintained through co-operation in the manipulation of the exchange funds of those countries. Most Canadians are dimly aware that Canada has a stabilization account, although few retalize that it is not in operation.

On the other hand, details of when and how the funds work, other than in a very general way, have been rigidly withheld from the public view. As the stabilization fund is an active instrument of monetary policy in countries such as Great Britain and the United States, its operation could not be fully effective if its dealings were highly publicized. Monetary authorities have proclaimed that complete obscurity is a necessity.

Operation of Funds

There are certain general conclusions which may be drawn, however, from the actual funds, and their methods of operation. This has been done in a recent study by the Midland Bank, which compares the stabilization funds of Great Britain, the United States and Canada. Most of the study is concerned with the British and American funds, naturally, as the Canadian is inactive.

The British bank points out that while Canada has not officially devalued the dollar, the Bank of Canada, when it began operations in 1935, took over gold held by the chartered banks and the Government at the statutory price. Later, the Exchange Fund Act provided tentatively for revaluing gold at the market price of $35 an ounce in place of the old parity of $20.67. Out of the resultant profit, a sum of $63 millions was credited to the "exchange fund of the Dominion of Canada" in the books of the central bank.

The object of the fund was to aid in controlling and protecting the external value of the dollar. To bring this fund into active operation, however, proclamation by the governor-general was necessary. This proclamation has never been made. Graham F. Towers, governor of the Bank of Canada, has explained that profits or losses on gold held by the central bank, arising from fluctuations in the market price, would be credited or debited to the fund pending ultimate determination of a new gold parity.

Thus, in the absence of any practical operation of the fund, the Midland Bank states that the Canadian stabilization fund is "evidently nothing more than an account for the purpose of reserving to the Government the net profits of revaluation of the central gold holdings."

British Fund

In regard to the active funds in the two other countries, a portion of the bank's study follows:

"The British 'Exchange Equalization Account' was set up in June 1932, and was provided at the outset with £150 millions of treasury bills, besides £25 millions of assets taken over from an old, dormant government account. About a year later, these resources having proved inadequate, a further supply of £200 millions of treasury bills was provided.

"Reduced to the simplest possible statement, it may be said that when foreign demands for sterling become inconveniently large, so that its exchange value tends to rise more strongly than is desirable, sterling is sold from the account and foreign exchange or gold is bought. Thus the holdings of treasury bills or other sterling assets in the account decline, and the holdings of gold and foreign exchange increase.

"Nowadays, moreover, to judge from the terms of the working agreements between the American, French and British authorities, foreign exchange is almost immediately turned into gold, so that in these conditions the sterling assets of the account fall and the gold holdings rise. When, on the other hand, sterling shows an unduly weak tendency, sterling is bought in the exchange market, and the gold holdings of the account decline. Since, moreover, the account will not wish to keep large quantities of sterling idle, it will presumably reinvest its newly acquired sterling in treasury bills.

"It seems evident that, while on occasion the exchange value of sterling has been supported, the trend on balance over the whole period of nearly five years has been the other way; the account has had to sell sterling in order to hold its value down in face of strong movements of capital out of other currencies into British pounds."

American Fund

The United States "Stabilization Fund" was set up under the terms of the Gold Reserve Act of Jan., 1934. Its $2 billions represents profits from devaluation of the dollar.

"Having regard to the vast and almost continuous flow of gold into the United States," the bank statement points out, "it may be inferred that the chief task of the fund, when intervention has been thought necessary, has been to hold the dollar down, rather than to support it.

"The crucial facts are that in recent years the treasury's gold stock has greatly increased, and that every purchase of gold by the authorities puts additional funds into the market, and places additional cash reserves at the disposal of the banks. Hence in part the sustained liquidity of the banking system and the overwhelming plethora of funds, notwithstanding the increased proportions of cash reserves which the banks are now required by law to maintain against their deposits.

Sterilization Plan

"The gathering speculative interest in the stock market has lately caused alarm, not confined to private observers, concerning the possible provocative results of continued gold purchases, and has suggested the wisdom of taking steps to check further credit expansion arising from this source. The position of the reserve banks was not such that they could readily undertake sales from their security holdings on a sufficiently large scale to offset the expansive effect of continued gold purchases by the treasury; moreover, sales of securities by the reserve banks would have tended to raise interest rates and thus obstruct the treasury's financial policy. Some other neutralizing measure had to be devised—hence the so-called 'sterilization' procedure started in Dec., 1936.

"Under this system gold, when taken into the treasury, is to be balanced, not by the issue of new gold certificates which go into the reserve banks as cash, but by new government obligations which are to be sold in the market. Thus, assuming that the general public take up the new obligations, the increased banking resources naturally following from the purchase of gold are at once absorbed into freshly created government securities. The result is that, contrary to previous experience, incoming gold treated in this way adds nothing on balance to the deposits of the commercial banks or to their cash reserves, held with the reserve banks."

CANADA *at the* PARIS EXPOSITION

ABOVE is a reproduction of the architect's front elevation of Canada's pavilion. In this imposing building will be a representative showing of Canadian products.

The Exposition, as the title suggests, is not primarily a commercial undertaking, but the Canadian Pavilion will accept industrial exhibits provided they are artistic, educational and indicative of modern scientific development in industry. For instance, a manufacturer's product may be shown provided the stages through which the raw material passes to make a finished article are exhibited.

It has space to offer Canadian producers. It has facilities to assist exhibitors. It expects that when the Exposition is opened in May all available space will have been reserved, so that the world may see the diversity and quality of Canadian products.

CANADIAN GOVERNMENT EXHIBITION COMMISSION

invites enquiries. As many reservations have already been made, requests for space should be made without delay.

Entrance at foot of The Eiffel Tower

DEPARTMENT OF TRADE AND COMMERCE
Hon. W. D. Euler, M.P., Minister OTTAWA J. G. Parmelee, Deputy Minister

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What Price Gold?

Washington Economist Discusses Modernized Gold Standard in Relation to Price — Too Soon to Predict

The following article is taken from the February issue of the Engineering and Mining Journal. H. N. Lawrie, its author, is a consulting economist of repute in Washington, D.C. Mr. Lawrie was formerly economic adviser to the United States Senate Commission of Gold and Silver Inquiry, and author since 1928 of the chapter on gold and silver in "The Mineral Industry."

By H. N. LAWRIE, M.E.

The fifth consecutive record world's gold production was established in 1936, amounting to 35,531,000 fine ounces, as compared with 31,280,680 ounces in 1935, an increase of 4,250,320 ounces, or 13.5%. Excluding the output increases of the U. S. S. R. in both 1935 and 1936, the increase for the rest of the world in 1936 was about 1,100,000 ounces greater than the increase in 1935, reflecting the additional output contributed in 1936 from the new dredging and milling equipment recently installed, and from which we may expect to realize a sixth record world gold production in 1937.

Production of gold in the United States in 1936 amounted to 3,713,187 ounces and, including the Philippines and Puerto Rico to 4,313,122 ounces, an increase of 766,953 ounces, or 21.6%, and higher than the increase ratio of world output by 8%. In 1936 California maintained its first position, South Dakota second, and Alaska third. Major increases were California, 185,552 ounces; Nevada, 119,957 ounces; Arizona, 96,363 ounces; Alaska, 56,756 ounces; and Utah, 44,366 ounces.

U. S. Gold Imports

Gold imports into the United States in 1936 amounted to $1,144,117,000 and exports to $27,534,000, a net inflow of $1,116,583,000, as compared with a net inflow of $1,739,018,796 in 1935, a decline in 1936 of $622,435,796, or more than 35%.

As in 1935 most of the gold was shipped here from Europe and the maldistribution of monetary gold was further accentuated. The uncertainty of war and the attractiveness of American securities were the principal reasons for such heavy European gold shipments. More of the gold previously hoarded in private accounts was released, and became a part of the world's monetary gold stock, which is decidedly favorable despite the disadvantages of a more extreme disequilibrium in monetary gold distribution. Gold imports early in 1936 became smaller, and it was thought that a reversal of the gold movement might be in sight, but gold devaluation by France late in September resulted in the continuance of heavy exports of gold from Europe. This once again gave rise to the problem of excessive gold reserves and the danger of inflation.

Will Costs Increase?

Will the costs of gold production greatly increase in 1937? The Administration has declared its objective to permit commodity prices gradually to rise to pre-depression levels in order to stimulate employment and to prevent an extensive inflationary rise in prices. In making this objective effective a low-cost credit policy will probably be maintained and the Secretary of the Treasury and the Chairman of the Federal Reserve Board have enumerated the following credit and currency inflation controls:

1. A billion and a half dollars of the then excessive monetary gold reserve was "sterilized" on Aug. 15, 1936, when the Federal Reserve Board increased gold reserve requirements 50% and the Board on Jan. 30, 1937, announced a further increase in such requirements of 50%, half of which is to become effective March 1, 1937, and half on May 1, 1937, thereby sterilizing another billion and a half dollars of the currently excessive gold reserve.

The total increase of 100% in gold reserve requirements will reduce the possible volume of credit from $36 to $3 billions, a most effective and desirable check on excessive inflation.

2. Announcement was made on Dec. 22, 1936, that Treasury bills would be sold and that the funds so derived would be used to purchase all gold imported, domestically produced, or recovered from the industrial arts, the same to be placed in an "Inactive Account." In this way the already excessive monetary gold reserve will be protected from further expansion and from becoming an increasing base for an undesirable volume of credit and currency.

Currency Stabilization

3. The Federal Reserve banks own about $2,470 millions of Government securities which can be sold and thus correspondingly reduce the credit base, and it is the intention to use this control should the occasion arise where it would be necessary to check an undue credit inflation.

The Secretary of the Treasury and the Chairman of the Federal Reserve Board have expressed the view that these credit inflation controls are sufficient and that it will not be necessary to go to Congress for further authority. With this assurance, and providing that these inflation controls are rigorously applied, gold-mining operators will probably not be confronted by greatly increased production costs in 1937.

Three Power Accord

Since the depression began, one of the most constructive steps was taken on Sept. 25, 1936, when the currency stabilization accord between the United States, Great Britain, and France was announced. The desirable results of this united effort to bring order out of chaos have been materially to lessen the range of fluctuations in the dollar, pound, and franc exchanges and to permit the reduction or removal of trade barriers and exchange restrictions.

The announcement was made on Nov. 23, 1936, that Belgium, Switzerland, and The Netherlands had been admitted to the tripartite monetary agreement. During 1937 other nations may also desire to qualify for admission to the currency stabilization group. The more nations that participate, the more effective the result should become, with lightened burdens for each of the participating nations to bear.

The international flow of trade and capital has already reflected the benefits of this tentative and informal currency stabilization movement. Though world economic recovery probably has not advanced sufficiently to permit nations successfully to consider the question of de jure currency stabilization and the adoption of a modernized form of the gold standard at this time, it is to be hoped that during 1937 much progress will be made toward that much to be desired end.

Essential to Trade

Had it not been for the Act of Congress, signed by the President on Jan. 25, 1937, extending the "Dollar Stabilization Fund," of $2 billions, the United States could not have continued its currency stabilization agreements with Great Britain and France beyond Jan. 30, 1937, the date upon which the original act expired. This timely action was taken because the Administration realizes the necessity for world currency stabilization as an essential to the restoration of normal international trade.

Until the monetary status of gold is definitely determined and gold is again integrated in a world monetary system, the market price for gold will remain uncertain. It seems more definite now that the world trend is toward the ultimate adoption of some modernized form of gold standard, sufficiently flexible to meet the domestic requirements of nations for currency and credit and to maintain the essential degree of international currency stability.

It should be pointed out that all six of the nations now participating in the currency accord have reserved the right to change the value of their currencies and to withdraw from the accord on short notice. The Act of Congress extending the "Dollar Stabilization Fund" to June 30, 1939, also extends the Executive authority further to reduce the gold content of the dollar down to 50% of the old gold standard par. Consequently it is too early to forecast what the price of gold or the world price level may be, when a modernized form of the gold standard is under consideration for final adoption. The equation of gold prices and gold production costs will probably remain open on both sides until normal economic conditions are re-established.

Home Loan Repayments Can be Gauged to a Cent

Canadian home owners may borrow from $1 to $2,000 for home modernization, and providing repayments are made on schedule, the monthly repayments can be calculated almost to the fraction of a cent.

After determining the amount required for modernization of a dwelling or business place, the owner can determine exactly the amount, length of time and net proceeds, after deductions of the discount, as follows:

Loan Discounts and Repayments

Face Amount of Note	12 Months Net Proceeds	12 Months Monthly Payment	24 Months Net Proceeds	24 Months Monthly Payment	36 Months Net Proceeds	36 Months Monthly Payment
$ 1	.97	.09	.94	.05	.91	.03
2	1.93	.17	1.88	.09	1.83	.06
3	2.98	.25	2.82	.13	2.74	.09
4	3.87	.34	3.76	.17	3.65	.12
5	4.84	.42	4.70	.21	4.56	.14
6	5.80	.50	5.64	.25	5.48	.17
7	6.77	.59	6.58	.30	6.39	.20
8	7.74	.67	7.51	.34	7.30	.23
9	8.71	.75	8.45	.38	8.21	.25
10	9.67	.84	9.39	.42	9.13	.28
20	19.35	1.67	18.79	.84	18.25	.56
30	29.02	2.50	28.18	1.25	27.38	.84
40	38.70	3.34	37.57	1.67	36.51	1.12
50	48.37	4.17	46.97	2.09	45.64	1.39
60	58.05	5.00	56.36	2.50	54.76	1.67
70	67.72	5.84	65.75	2.92	63.89	1.95
80	77.40	6.67	75.15	3.34	73.02	2.23
90	87.07	7.50	84.54	3.75	82.15	2.50
100	96.75	8.34	93.93	4.17	91.27	2.78
200	193.50	16.67	187.86	8.34	182.55	5.56
300	290.25	25.00	281.80	12.50	273.82	8.34
400	387.00	33.34	375.73	16.67	365.09	11.12
500	483.75	41.67	469.66	20.84	456.37	13.80
600	580.50	50.00	536.59	25.00	547.64	16.67
700	677.25	58.34	657.52	29.17	638.92	19.45
800	774.00	66.67	751.46	33.34	730.19	22.23
900	870.75	75.00	845.39	37.50	821.46	25.00
1,000	967.50	83.34	939.32	41.67	912.74	27.78
2,000	1,935.00	166.67	1,878.64	83.34	1,825.46	55.56

In the above table, monthly installment payments are shown at the next full cent nearest the fractional result. An adjustment can be made in the final payment to have total payments equal the amount of the face value of the note.

To obtain the amount of proceeds of the loan and the monthly payment for amounts not shown in the table, the method is to use the exact amount, such as $543, by adding the table amounts of $500, $40 and $3, as follows:

Loan for 12 Months

Face Amount $	Net Proceeds $	Monthly Repayments $
500	483.75	41.67
40	38.70	3.34
3	2.90	.25
543	525.35	45.26

Similarly a note for $1,826 to be paid in 36 months can be calculated as follows:

Loan for 36 Months

Face Amount $	Net Proceeds $	Monthly Repayments $
1,000	912.74	27.78
800	730.19	22.23
20	18.25	.56
6	5.48	.17
1,826	1,666.66	50.74

Building Benefits Seen in Trailers

Technical advances in methods of home construction may come via the automobile industry within the next few years.

Development of automobile trailers, and super-trailers which have appeared in the U. S. and are literally "homes on wheels," have led to discoveries about construction and insulation.

New engineering technique in the housing field may arise from these, it is claimed by construction men, but they are in general agreement that the trailer as a threat to home construction is a fanciful fear, and is not likely to have any far-reaching effect either on housing or real estate values.

Week in Wheat

Europe Boosts Buying Fearing Early Shortage

Price Spread Narrows Between Canadian and Argentine — Market Nervous Over Outcome U. S. Winter Crop

From Our Own Correspondent

WINNIPEG.—Heavy buying by continental Europe continues to be the most important influence in the wheat market. Apparently buyers there are beginning to fear again danger that available supplies may not be sufficient to keep flour mills going until new northern hemisphere wheat is harvested.

Recent Winnipeg advances have been based almost entirely on buying coming from those who want the wheat, while speculative holdings by the public have tended to become smaller. At the same time it is believed that the holdings of the Canadian Wheat Board have now been reduced to an unimportant total.

Widespread nervousness over the prospects of the winter wheat crop in the United States is indicated by the sensitiveness of the market to weather conditions. The passing of a day without important rainfall can act as a strengthening influence in all world markets.

Gains in the Argentine market have been more significant than those in Winnipeg. The gap between Argentine and Canadian prices has been narrowed. It is believed that the peak of Argentine shipments is now over, and that with reduced pressure by farmers to sell, prices may continue to gain, increasing the opportunity for Canadian sales.

Late Crop Possible

DURING recent years of small crops in western Canada the market has become used to early deliveries of new crop wheat. Observers are now pointing out that earliness is a characteristic of small crops, while a large crop is likely to be the result of a rainy season with delayed maturity of the grain.

With large year-end carryovers, such as have prevailed during recent years, it has not mattered from a market standpoint whether the crop was late or early. But this year, when a small carryover is expected, the date of maturity of the crop may become quite important, especially if it is late. With a late crop, and especially with a delayed harvest, it might be September before much new crop wheat would be available for export, and the carryover might have to supply export shipping quantities for a period of two months.

Under such circumstances a carryover even as high as 50 million bushels would impose no burden on the market or impediment in the way of a succeeding crop.

* * *

Wheat Moves Eastward

SOME business is now being done in cash wheat for the opening of navigation, and the general expectation is that most of the wheat in store at the head of the lakes will be moved out during the month of May. How much more wheat is to come in to replace it depends partly on the relation between prices at Vancouver and at Winnipeg.

The comparative slowness of demand at Vancouver has resulted in a good deal of wheat from Alberta elevators taking the eastern instead of the western route. But some fair quantities of wheat continue to be held in Alberta elevators, where the freight rate normally gives the western route an advantage of several cents a bushel, in the hope that it may yet prove profitable to ship it over the route with the lowest freight cost.

* * *

U. S. Millers Buy Less

TOTAL Canadian grain exports to United States for 1936 amounted to almost 40 million bushels according to a statement in the House of Commons last week by Hon. Norman Rogers, acting minister of trade and commerce. This figure compares with slightly under 25 millions in 1935. Most of the exports in both cases were high quality hard wheat.

A deficiency of this type occurred in the United States in both years, but last season there was an ample supply of the softer types of wheat, largely produced in the southwestern United States.

In recent weeks export of Canadian wheat to the United States has fallen off considerably and United States millers, anticipating some decrease in price as prospects for their big winter wheat crop improves, are reducing their buying to a hand-to-mouth basis. First wheat from the American southwest, a small portion of which is of a hard type, should be available early in June.

Current Chatter From B. C.

From Our Own Correspondent

VANCOUVER. — Production at Cariboo Gold Quartz mine in February was valued at $81,970, from 5,871 tons of ore milled, or $12,614 higher than in January, according to Secretary J. R. V. Dunlop.

The bullion was 2,342 fine ounces, compared with 1,996 fine ounces in January.

* * *

Bralorne

Production from Bralorne Mines in February amounted to $205,100 from 13,290 tons of ore milled, recovered 5,860 ounces of gold, and averaging $15,432 per ton with millheads .441 ounces per ton.

* * *

Pioneer

Pioneer Gold Mines gross income in February was $166,000, with expenses of $69,000 and net $97,000 before depletion, depreciation and taxes, according to Secretary A. E. Bull. In January the gross was $175,000, and net profit $98,000. Bad weather at the mine was held responsible for the decline.

* * *

Island Mountain

Island Mountain Mine's production in February was valued at $44,872 compared with $50,546 the previous month. Ore treated totalled 3,148 tons, with heads running .406 ounces. Production was 1,444 ounces.

Bulolo Gold Dredging February Output Gains

From Our Own Correspondent

MONTREAL.—Bulolo Gold Dredging reports February production of 12,726 oz. of fine gold. This compares with 11,797 oz. in January and 9,432 oz. in February a year ago.

Estimated working profit in February totalled 8,887 oz. which is equivalent to $311,045 in Canadian funds. In January the working profit totalled $301,140 and in February last year, $225,470.

Flour Export Shows Gains

Best February in Four Years — Wheat Shipments Shrink

In both volume and value, February flour exports from Canada this year were the best for this month in the last four years. But while total value was up close to half a million dollars, volume gain was only moderate. If it indicates the long hoped for trend of heavier exports however, then the turn is significant.

Price advance over a year ago is more than 25%. Total flour shipments for the year ended with February are down slightly from the previous similar period and very considerably from 1935 and 1934.

Wheat Exports Drop

February wheat exports were down very sharply. This is explained by the fact that it is now over a year since the Canadian Wheat Board set out to liquidate the heavy carryover accumulated during the previous four years.

During the first few months of 1936 that liquidation was in full swing but for some months now has been largely completed. Gains in wheat prices, however, have continued impressively.

FLOUR EXPORTS

Feb.	Average Price	Barrels	Total Value
1937	$5.45	347,884	$1,897,241
1936	4.20	340,102	1,429,595
1935	3.76	309,729	1,167,094
1934	3.43	328,376	1,127,597
Jan., 1937	5.09	313,923	1,600,015
12 Months Ended February			
1937	4.40	4,857,465	$21,395,450
1936	3.94	4,879,642	19,258,836
1935	3.69	4,932,686	18,218,200
1934	3.46	5,616,880	19,487,666

WHEAT EXPORTS

Feb.	Average Price	Bushels	Total Value
1937	$1.29	5,362,031	$6,926,695
1936	.83	14,241,169	11,946,435
1935	.76	7,206,560	5,535,684
1934	.67	6,512,686	4,416,159
Jan., 1937	1.12	20,427,916	22,893,086
12 Months Ended February			
1937	$0.96	236,394,099	$227,370,887
1936	.83	174,884,374	145,795,453
1935	.79	166,898,844	131,928,993
1934	.66	180,246,720	119,564,637

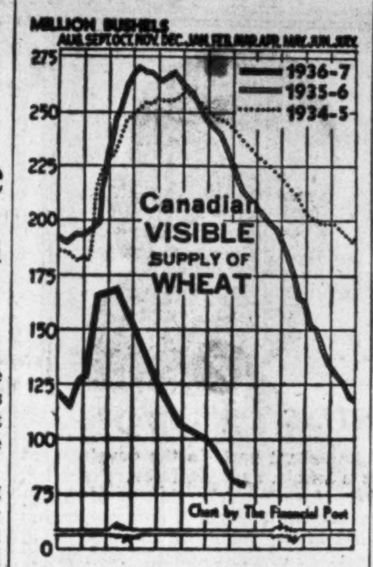
Pato Consolidated Gold Reports 10 Months Output

From Our Own Correspondent

MONTREAL.—Pato Consolidated Gold Dredging has notified the Montreal Curb Market that for the 10 months of the current fiscal year to March 1, the company handled 3,291,000 yards of gravel for a recovery of 13,444 ounces of fine gold, equivalent to $470,540. Apart from 163,000 yards treated hydraulically as a demonstration, practically the whole of the above yield was from the dredging of tailings.

Number three dredge which is now completed will be digging flotation until it reaches the dredging area about the end of May.

Fabrication of dredges four and five is completed and the field erection of these and work on the 10,000 horsepower hydro-electric plant is proceeding according to the programme.



LITTLE CHANGE

Little change is shown in the figures covering the amount of wheat in Canadian storage. Total is now down well below 90 millions but no sharp decreases are expected for several weeks yet or until the bulk of the new Argentine crop is out of the way. Though western weather has improved with the approach of spring, country deliveries are less than a million bushels weekly and little increase is anticipated for the simple reason that surplus farmers' grain must be well cleaned out.

Details in bushels are as follows:

Week of March 12	Week Previous	Last Year
86,321,000	88,097,000	214,192,000
Export Clearances*		
Week of March 12	**Week Previous**	**Last Year**
1,799,677	1,897,716	3,378,673

*Plus U. S. imports.

Resume Probe About April 1

Turgeon Enquiry to Cover Vancouver, Edmonton, Calgary

From Our Own Correspondent

WINNIPEG.—The Turgeon grain enquiry is expected to resume at Vancouver about April 1, with an earlier start possible, but not probable.

Sittings at the coast, it is supposed, will be comparatively brief, enabling the commission to open in Edmonton about a week later. Edmonton sessions are also expected to be brief, with expert evidence on grain production from the faculty of agriculture of the University of Alberta. This will probably deal with the difficulty of producing as high a quality of wheat in the northern part of the province as in the south.

The Calgary hearings to follow those at Edmonton are expected to include the principal presentation on behalf of the wheat pools. If that means an enquiry into the history, as well as into the present views of the pools, a considerable time will have to be taken up with evidence.

May Air New Scheme

Then, because Mr. McFarland is a resident of Calgary, it is supposed that an enquiry into stabilization operations under his regime will be conducted there. It is understood that a considerable number of Mr. McFarland's farmer friends intend to come forward at Calgary with a presentation supporting his conduct of stabilization. A presentation is also expected on behalf of the United Farmers of Alberta, who have declared themselves in favor of a compulsory wheat board. In fact, the whole argument on the subject of a compulsory board which has only been hinted at in previous sittings, is likely to be brought into the open.

With such a programme, it may be close to May 1 before the commission is able to open its sessions in Regina. That is a time, with seeding in full swing, which will make it difficult for farmers to attend, either as spectators or as witnesses. But, as the theory of compulsory marketing has been more strongly advocated in Saskatchewan than in other provinces, lengthy presentations are expected. So also is criticism of the present wheat board, as the Saskatchewan Wheat Pool, through its official organ, has been emphatic in declaring that the Murray wheat board was wrong in selling wheat so freely when it did, and that more money might have been secured for farmers by a policy of delay.

After Regina, the commission is to sit again at Winnipeg, and it will be surprising if the Winnipeg sittings do not extend into June.

Wheat Pool's Power Quest Brings Fight

Saskatchewan Groups Fear Proposals Too Sweeping

OPPOSE INSURANCE

From Our own Correspondent

REGINA.—The Retail Merchants' Association of Saskatchewan has been waging a strenuous fight before a special committee of the Saskatchewan Legislature against a charter amendment sought by the Saskatchewan Wheat Pool. Amendment would give the Pool power to engage in any fraternal or co-operative business, and would further declare that such power had existed in the organization from its inception.

The Pool's immediate objective, according to its spokesmen, is to establish an insurance business for the benefit of its members. As a foundation for that business it is desired to make use of the commercial reserves of the organization, accumulated by deductions from settlements for its members' grain, during the period when pooling was in progress. As such reserves were originally taken under pool contracts for the purposes of the grain business, it is assumed that without special legal authority they could not be employed for other purposes.

Chain Stores Planned?

The retail merchants do not object to the insurance business as such, but they fear that the funds in question might be employed, under the new powers sought, to establish a chain of retail stores. That, they claim, is improper, so long as the Pool is indebted to the Provincial Government for many millions of dollars, and also because it represents a diversion of the commercial reserve funds from the use for which they were intended.

Some members of the Legislature attack the proposals from a different angle, and object to the Pool Board being given power to apply the organization's assets in a new way without the concurrence of the members.

Suggestions have been made that if the commercial reserve funds are not required for their original purpose they should be distributed to the members who contributed them.

Suspect Retroactive Clause

The retroactive clause of the proposed bill has aroused the ire of some provincial members, who suggest that it might regularize what they claim has been possibly irregular, the publication at a loss to the Pool of the newspaper, "The Western Producer."

That has not only been the official organ of the Wheat Pool, but also, they claim, the journalistic mouthpiece of the C.C.F. party in the province, which constitutes the present Opposition to the Government in the Legislature. Some of these members have hoped that the right of the Pool to support such a paper might be questioned before the Turgeon Commission, when that body reaches Regina, and they do not want by any immediate Act of the Legislature to impede such investigation as might take place.

Insurance Questioned

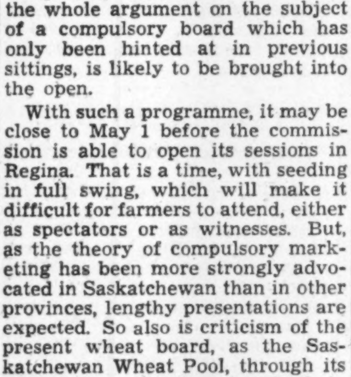
Still another form of opposition is based on the idea that the Legislature must be careful in authorizing any new form of life insurance that might produce disappointing results for those who contribute to it.

A few years ago it was almost a foregone conclusion that the Legislature would accede to any request formally made to it by the Saskatchewan Pool. Of that there was no better example than compulsory pool legislation in 1931, which subsequently proved to be ultra vires. Now it seems to be doubtful whether the proposed bill will receive legislative assent.

See Higher Rate For Lake Freight

Lake shipping men and exporters are dickering about rates for the opening of navigation. A low rate had been anticipated, owing to the very small quantity of grain to be forwarded in the early part of the season until a new crop is produced. But the demands on vessels of U. S. registry for iron ore and other business are so heavy that they are not likely to be interested in grain movement, and vessel owners are hopeful of a reasonably remunerative rate.

Wheat Prices



(Cash Quotations)

	For Week Mar. 16 High	For Week Mar. 16 Low	Prev. Week High	Prev. Week Low
1 Man. Hard	1.35⅛	1.30⅞	1.35⅝	1.28¼
1 Northern	1.34⅛	1.29⅝	1.34⅛	1.27½
2 Northern	1.32⅝	1.27⅞	1.32⅜	1.25¾
3 Northern	1.28⅝	1.24⅛	1.28⅝	1.21½
4 Northern	1.24⅛	1.19⅝	1.24⅛	1.17
5 Wheat	1.20⅛	1.15⅝	1.20⅛	1.13
6 Wheat	1.19⅝	1.15⅛	1.19⅝	1.12½
Feed Wheat	1.01⅛	.96⅝	1.01⅛	.94
Vancouver: Week to Mar. 15:				
1 Northern	1.32⅝	1.29⅛	1.29	1.27½

Competitive Export Prices:
Mar. shipment.

Week to Mar. 13	High	Low
No. 1 North. (Vanc.)	1.55⅛	1.49½
No. 2 North. (Atlan.)	unquoted	
No. 1 North. (afloat)	unquoted	
No. 2 North. (Vanc.)	1.52	1.47⅛
West Australian (afloat)	1.37⅛	1.32⅝
Australian	1.38¼	1.32⅝
Argentine Rosafe	1.28⅛	1.23½
Indian (new crop)†	1.32⅛	1.30⅝

†May-June shipment.

Winnipeg Grain Futures

Week to Mar. 16, 1937

Crop year from Aug. 1, 1936 High	Crop year from Aug. 1, 1936 Low		Open Mar. 10	High for week	Low for week	Close Mar. 16
		Wheat				
1.34½	1.05⅝	May	1.31¾	1.34½	1.29¼	1.32⅞
1.27¾	1.03¾	July	1.27¾	1.31⅞	1.26⅛	1.30¼
1.21½	1.04⅛	Oct.	1.17	1.21½	1.16	1.19½
		Oats				
.58	.42¼	May	.36½	.37¼	.35¾	.36⅞
.55⅛	.43⅜	July	.33½	.33⅞	.32¾	.33½
		Barley				
.88⅞	.50⅞	May	.82	.82⅞	.80¾	.81⅞
.77⅞	.56⅝	July	.75	.76½	.73⅝	.75½
.71	.66⅝	Oct.	....	.71	.68⅝	.69¼
		Flax				
1.77	1.60½	May	1.75¾	1.77	1.72¼	1.76¼
1.77	1.63¼	July	1.73⅞	1.77	1.71½	1.75⅛
		Rye				
1.14⅞	.62⅝	May	1.06½	1.10	1.04⅞	1.07⅞
1.12⅛	.78¼	July	1.03⅛	1.06⅛	1.01⅞	1.05
.94½	.83⅝	Oct.	.90	.94½	.90	.92⅝

Commandor Mines — Expects to start work on its south Duverny copper-gold property very shortly. It is proposed to start the initial development work in the approximate location where grab samples were secured from surface pits running as high as 26% in copper with a trace of gold, to prove the continuation of the vein, width, etc., and to secure a better idea of average values.

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Week in Mining

United Action Planned Against Stock Frauds

Toronto Conference Takes Important Step Toward Unified Laws — Need for Action Found Pressing

Confounding the sceptics, the recently adjourned conference of Provincial and Dominion governments, held in Toronto to discuss co-operative action in connection with securities fraud prevention, has accomplished a considerable amount.

As those who followed recent articles in The Financial Post have probably deduced, the need for inter-provincial co-operation has been a crying one, and has been brought to the fore by the intense interest which the public has had in the mining markets.

To find a workable basis on which the provinces, with their varied interests and attitudes, could co-operate, is a long and tedious job.

The Companies Act

ONE of the most significant steps taken by the conference was the appointment of subcommittees to draft legislation for the establishment of a uniform Companies Act, for Dominion and provinces.

Such an Act, generally acknowledged as one of the most desirable weapons in the war on fraudulent promotion, seems nevertheless to be most difficult to get. Even now, its attainment seems a long way off, as the legislation, based on the subcommittee's findings, will not be presented to the various legislative bodies concerned until 1938. It will be recalled that, after years of effort and negotiating, the first concrete step toward a uniform act was taken at the Dominion-Provincial conference held in Ottawa last November.

• • •

Prospectus Clauses

PENDING the final culmination of this effort, the conference at Toronto is understood to have favored adoption of the all-important prospectus amendments to the Dominion Companies Act. These amendments, covering what must and must not be said in prospectuses offering stock, were passed by the Federal Government in 1935, and have on the whole proved simple and effective. It is suggested that these clauses be enforced by the various provincial securities bodies until the provincial legislatures pass the uniform act.

• • •

Veto Dominion Commission

IT HAS been suggested from time to time that fraud prevention might best be handled through a Dominion Commission. This policy is understood to have been turned down by the Toronto conference as unworkable. The conference appears to favor rather greater cooperation between the provinces and the Federal authorities.

• • •

Spirit of Law

UNLIKE other legal administrative bodies, the work of securities commissions must, of necessity, centre largely on interpreting the spirit of the law, although this statement will not be universally conceded. In any event, the conference appears to have recognized this fact by drafting certain broad principles for the guidance of the various securities commissions. Among the most important of these are: Minimum price to treasury of company should be not less than 15 cents per share; treasury of the company should receive at least 70 per cent of the price paid; option agreements should be exercised within 18 months; options may be taken by persons other than those holding registration, and may be assignable without consent.

It is noticeable that at the present time, 75% of the price paid by the public must go into the treasury of the company in Ontario, in the case of options. When stock is purchased outright and paid for, it is, of course, impossible to control at what price it shall be sold to the public.

• • •

Oil Shares

AS MIGHT be expected in view of the current interest in western oil stocks, the offering of shares and royalties to the public was an important subject of discussion.

It was felt that in general sale of oil royalties should be discouraged, but where permitted, should be regulated by rules in force in Ontario and Quebec. Other recommendations made followed in essence those regulations already in force in Ontario.

• • •

Central Bureau

FINALLY, the conference favored establishment of a central bureau by the Federal Government, for the collection of information on cancellations, suspensions, and refusals, and other information on promotions, persons and records.

• • •

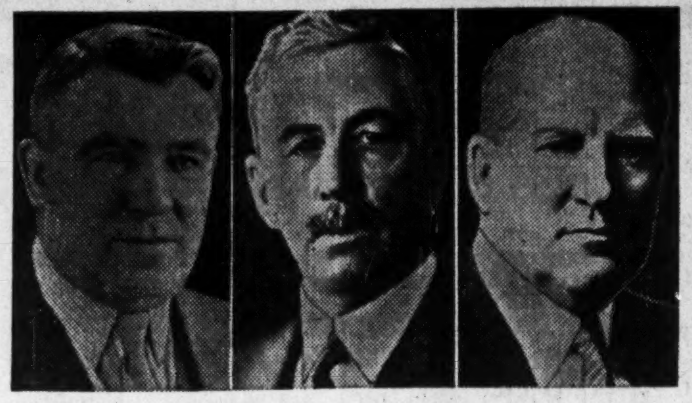
Mine Promotion

SENATOR ARTHUR SAUVE has brought out in the Upper Chamber at Ottawa the urgent need for distinction between legitimate promotion of Canadian mining as contrasted with dishonest share promotions.

Senator Sauvé affirms a belief in the honesty of most stockbrokers. But he recognizes that dishonest stock sellers are constantly trying to pry their way into the investment field and into the investor's pocketbook. "Let us stop dishonest exploitation of the public," he states, "and wage war against all such abuses."

Mr. Sauvé's beliefs are identical with those of The Financial Post. The great majority of honest stockbrokers stand to benefit as much as any class in the community from active warfare against illegitimate stock promotions. The mining industry, for its greater development, must have protection from the looters of the public. No one stands to lose from campaigns for clean promotion, such as those conducted by The Financial Post, except the dishonest share pusher.

There is a mistaken tendency among the shortsighted to regard attacks on dishonest promotions as attacks on legitimate development, particularly in mining.



ATTEND C. I. M. M. MEETING

The three men shown above play important parts in the development of mining in Nova Scotia, Canada as a whole, and Manitoba. From left to right they are: Hon. "Mike" Dwyer, Nova Scotia's minister of mines; Hon. T. A. Crerar, minister of mines in the Federal Government; and Col. George E. Cole, director of mines in the Manitoba department of natural resources, who is retiring president of the Canadian Institute of Mining and Metallurgy.

Workman-Executive

Hon. Mike Dwyer, President-elect of C.I.M.M., Is Product of Combined Forces

There's something essentially Irish about Hon. Michael Dwyer, recently elected president of the Canadian Institute of Mining Metallurgy. It is not only that he was born at a place called Kilnamanagh, county of Tipperary, Ireland, or that his mother's maiden name was Bridget Doyle. He is Irish in appearance, and in outlook, and in personality, despite the fact that the regards himself as being more of a Nova Scotian than an Irishman.

When "Mike" Dwyer, as he is known to all mining men, first took office as Minister of Labor, Public Works, and Mines of Nova Scotia, that province was shipping 150.000 tons of Nova Scotia coal to Ontario market. Last year, after three years in office, Mr. Dwyer could report that no less than 1,030,132 tons of coal were shipped to Ontario. This striking advance in the marketing of what is one of the province's chief products has been made during years when Ontario consumers were using less coal from any source than before.

Nova Scotian—Irish

The faith which Michael Dwyer has in the Nova Scotian coal is typically Nova Scotian. The persistency with which he has swung non-Nova Scotians over to his point of view, is typically Irish.

In other ways is Hon. Mike Dwyer the result of dual forces.

He left Ireland with his parents when he was six years old, in 1883, to be exact. His parents were seeking greener fields than even the Emerald Isles could offer. When they landed at Nova Scotia, they thought they need go no farther.

Family finances were such that Mike Dwyer had to start work very early in life. His first job was as office boy for the Nova Scotia Steel & Coal Co. at Trenton. From this job he moved through the open-hearth, machine shops, rolling mills, and engineering office. Being no job for a softie, the steel and coal industry offered Michael Dwyer a natural habitat, and so apt was he in the work, that when only 25 years old, he was transferred from Trenton to Sydney as chief draughtsman for the new steel plant then under construction. To bolster his practical knowledge, at this time, he took a course in mechanical engineering at Scranton, Penn.

Dwyer remained with the company at Sydney until 1922, when he resigned to become superintendent and later president of Indian Cove Coal Co.

Doesn't Like Coasting

By 1933, Michael Dwyer was 56. He had a comfortable position, security and all that most men hope for at that age. Probably, if Dwyer had not been born in a place called Kilnamanagh, Tipperary, he would have been perfectly content to coast for the remainder of his life. But Michael Dwyer is Irish, and the Irish like to fight more than coast. So in 1933, he entered the political arena and fought. He fought so successfully that he was returned to the legislature as the people's representative from Cape Breton Centre. On the formation of the Government, he was made, as was fitting, Minister of Public Works and Mines.

Last year, Michael Dwyer's name flashed around the world in connection with the Moose River ine tragedy. His heroism in rising from a sick bed, still feverish, and entering several times the death-fraught Reynolds shaft, made him more or less of a national figure.

Down the Mine

A newspaperman who was covering this dramatic story for a Toronto paper told the writer that on one occasion he managed to elude the guards, and enter the shaft during the course of the frantic rescue efforts. Draegermen were painfully passing rock from one hand to the other, back up the shaft. The newspaperman managed to pass them all, until he came to the man actually handling the pick. Slipping on a piece of loose rock, he stumbled against this workman. Without looking up, the workman muttered: "Get the H— out of here." The voice was familiar, and in the grime and sweat covered face the newspaperman recognized Hon. Michael Dwyer, Minister of Lands, Public Works, and Mines, of the Province of Nova Scotia.

This dual combination of Nova Scotian-Irishman, workman-executive, is Dwyer's chief characteristic. The latter combination is aptly reflected in the name by which he is usually known; Hon. Mike Dwyer—not, please note, Hon. Michael Dwyer.

Attendance at Convention Reflects Mining Prosperity

By WILFRID SANDERS
Mining Editor, The Financial Post.

MONTREAL.—A plea for maintaining the cosmopolitan nature of the membership in the Canadian Institute of Mining and Metallurgy, featured the presidential address of Lieut.-Col. George E. Cole, retiring president of the C. I. M. M., at the 38th annual general meeting here this week.

The question as to whether the Institute should confine its membership to professional engineers and other technical men, or continue the membership rolls open to nonprofessional men connected with the mining industry, has been a live one.

Reflecting the prosperous era through which the mining industry is passing, was the fact that the convention was the most largely attended of any in the history of the Institute.

Keynote of this prosperity was the address of W. H. Losoee, of the Dominion Bureau of Statistics, who released final production figures for Canada at the convention. In 1936, Canada's mineral production reached the all-time high of $361,394,062. Of this amount, production of metals accounted for 71 per cent, or $259,000,000, with the exception of cobalt, silver, and selenium, production of all metals was the highest on record and the increased prices of lead and zinc benefitted the base metal producers.

Presentation of Medals

A feature of every institute convention is the presentation of medals and awards, which are keenly sought by mining men. This year, the Leonard medal, presented by the late Col. R. W. Leonard, former president of the Engineering Institute of Canada, and awarded by that body to the author of the most outstanding paper presented during the year, was awarded to L. S. Weldon, formerly of Lake Shore Mines, but now in Kenya Colony, East Africa.

The Barlow Memorial prize, established in memory of the late Dr. A. E. Barlow, president of the Institute in 1912-13, was awarded to W. T. Robson, chief engineer and geologist of Lake Shore Mines, for his paper on Lake Shore geology. To Professor H. E. T. Haultain, of University of Toronto, was awarded the Randolph Bruce Gold Medal, for his work on the question of ore reduction.

A. L. Blomfield, managing director of Lake Shore Mines, was awarded the much-prized Inco Medal, regarded as the highest mark of distinction in the power of the Institute to bestow. The Inco Medal founded in 1913, marks such a high standard of attainment that it has only been awarded three times previously. An Australian by birth, Mr. Blomfield's contribution to Canadian mining was in connection with treatment of the telluride ores at Kirkland Lake.

J. M. Wolverton, safety engineer of Sullivan Mine, at Kimberley, B.C., and W. B. Paton, inspector of mines for Manitoba, were awarded the accident prevention awards, donated by the Mines Safety Appliance Co. of Canada, on recommendation of the C.I.M.M. council.

News Concentrates

Doreva Gold Mines—Reports that a station will be cut as soon as the shaft reaches the present objective of 125 ft., and a crosscut of a few feet from the vein in which the shaft is being sunk will enable the commencement of drifting both ways in the vein from which high-grade specimens have been taken. President Carl F. Dietz is now at the property.

• • •

Dorval Siscoe Mines—Reports that shaft sinking has reached 135 ft., and that 5 ft. per day is being made. The shaft will be continued to 300 ft., where the first level will be established, and it is proposed to carry out a large programme of exploration work from this horizon and at the same time continue the opening down to a second level at 500-ft. It is reported drills have cut the main ore body between Nos. 6 and 7 islands and that cores indicate conditions and formations are very similar to the Siscoe mineral zones. Check assays show that previous assays of $15 per ton are correct.

• • •

Flin Flon Gold Mines—Advises that a contract has been signed calling for underground drilling from their fourth level to a further depth of 300 ft. Company is amply financed to take care of this programme for the next few months, it is stated officially. Negotiations are now being carried on with financial interests to provide funds for complete electrification of the installation and operation of milling equipment.

• • •

Golden Gate Mining—Advises from its Kirkland Lake property that the raise being put up for the new 3-compartment shaft has been driven for some 40 ft. and is now making rapid progress to the surface. On completion of the raise the opening will be carried down from the 350-ft level to 750 ft. It is stated that veins are holding up well in lateral development work on the present bottom level. The 306 crosscut is being extended to intersect another important vein, and it is believed that this objective will be reached shortly.

• • •

Indian Mines Corp.—With a gold, silver and lead property in the Portland Canal section of British Columbia, reports current assets, including supplies of $2,729, of $4,354 as at Dec. 31, 1936. Current liabilities are $15,723. The company is seeking financial sponsorship to resume development work.

• • •

Kirgood Gold Mines—In a report from Mining Research Corp., which is in charge of diamond drilling on the property, is advised that hole No. 2 has reached a depth of 295 ft., and has encountered a mineralized zone. The mineralized zone caught in No. 1 hole has not yet been encountered in No. 2 hole, but is expected to be crossed at about 400 ft., providing it continues on the same dip as shown in the first hole.

• • •

Island Mountain Mines—Reports February production at 1,279.48 fine ounces of gold from 3,148 tons of ore treated.

• • •

Lancour Mines—Is advised in a telegraphed report from C. Gordon McIntosh, B.Sc., that the second diamond drill hole on zone No. 1 had made sedimentary contact at 665 ft. and that the hole was completed at 686 ft.

• • •

MacDonald Mines—Some five miles northeast of Noranda, reports it has uncovered four large mineralized zones, two of which carry gold values on surface, with one vein 12 ft. wide in altered granite rock assaying as high as $21. Property, named after Albert MacDonald of Rouyn, is now planning an extensive programme of diamond drilling and exploration to be directed by Stewart Troop, M.E.

• • •

Siscoe Gold Mines—Has advised the Toronto Stock Exchange that February output established another all-time record at $226,616. Mill heads averaged $14.80 with a total of 15,671 tons of ore treated. Average treated by the mill was 560 tons daily, the same as in January, when a total of 17,350 tons was milled for production valued at $225,568 and mill heads of $13 per ton. In the same period last year, treatment of 12,996 tons gave recovery of $191,073, with mill heads of $14.70.

• • •

Gurney Gold Mines announced at its annual meeting that drifting on the 625-ft. level is opening up a strong vein system carrying a gold content similar to that proven on the upper horizons. Exploration to the northeast of the present workings has yielded indications promising enough to warrant the purchase of surface diamond drilling equipment in order to test them as soon as possible.

• • •

San Antonio Gold in its annual report for 1936, shows the operating profit, before write-offs for depreciation and taxes of 20.5 cents per share on the outstanding shares and the net profit 15 cents per share, of which shareholders received 14 cents in dividends during the year.

Operating costs at the mine were $4.71 per ton, including a charge of $1.05 per ton in development. President J. D. Perrin points out that ore reserves are down 12.75% as compared with 1935 year-end, but this is largely due to the fact that the development campaign did not produce important results until the commencement of the last quarter of the year.

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Mining Co. Reports

Bobjo Mines, Ltd.

Directors of Bobjo Mines have continued their efforts to find properties which ultimately could be developed into a producing mine, says President R. J. Jowsey in Bobjo's annual report for 1936. Results of work on claims in Echimamish district, northern Manitoba, are considered encouraging enough to warrant further work on them as soon as the weather allows.

Bobjo is maintaining prospectors and engineers in the field who are trying to locate other suitable properties.

Toburn Gold Mines

Net profit of $201,100 after all deductions, equal to 10.6 cents per share on 1,850,000 shares outstanding, is announced in the annual report of Toburn Gold Mines for 1936. Dividends totalling $148.000 were distributed during both 1935 and 1936, and by the year-end the mill was brought to daily capacity of 1,125 tons.

Premier Gold Mining, which controls 1,490,000 of Toburn's issued shares, shared with it and American Smelting and Refining the cost of acquiring Continental Kirkland Mines to the east on a purchase and option basis. Discovery of the high grade 419 drift vein on the 400-ft. level, developed for 500 ft. length, was among the most important of Toburn's developments during the year. If results here continue as favorable as they have been, work will be carried through into Continental Kirkland ground.

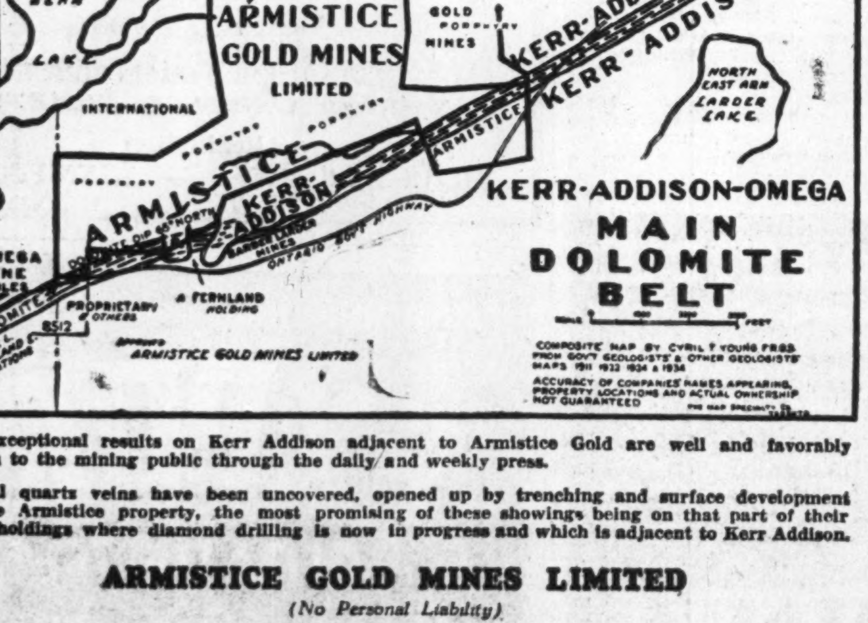
Mining Dividends

	Rate	Close Mar. 15	Yield %
Anglo-Huronian	20c	7.50	..
Beattie Gold	†5c	1.43	..
Bralorne	40c+15c	8.50	..
Buff. Ankerite	50c	11.75	4.2
Bulolo Gold	‡1.40	28.00	..
Cariboo	10c	1.56	6.4
Central Patricia	4c	4.45	..
Coniagas	12½c	3.05	..
Cons. Smelters	$1+$1	95.00	..
Dome Mines	$2+$2	47.75	*8.3
Falconbridge	30c	10.25	2.9
Hollinger	65c+45c	14.50	*7.5
Howey Gold	2c	.52	..
Hudson Bay	$1	37.00	..
Island Mountain	‡10c	1.09	..
Int. Coal & Coke	‡1c	.22	..
Inter. Nickel, c.	$2	71.25	2.7
Inter. Mining	15c	16.00	..
Kirk. Lake	‡3c	1.00	..
Kerr Lake	5c	.55	..
Lake Shore	$4+1	56.12	*8.8
Lava Cap M.	2c+1c	1.00	..
Little L. Lac	30c	6.85	..
Macassa	15c	6.75	2.2
McIntyre	$2	40.00	5
McKenzie R. Lake	6+1c	1.63	..
McKinley Sec.	2½c	.65	..
McWatters Gold	5c	.82¾	..
Noranda	$3	77.50	3.8
Nor. Can. Mining	2c	.75	..
Nipissing	50c	2.80	..
Premier	12c+1c	3.30	*3.8
Pioneer, B.C.	30c	5.40	..
Pickle Crow	35c	7.70	..
Reno	12c	1.15	10.3
San Antonio	14c	2.00	..
Sheep Creek	8c	.65	12.3
Siscoe	20c+1c	5.40	*3.8
Sudbury Basin	10c	6.35	..
Sylvanite	20+5c	4.00	*6.2
Teck-Hughes	40c+5c	5.75	*7.8
Toburn	8c	3.10	2.5
Ventures	2½c+2½c	2.80	..
Wright-Har.	•40c+20c	7.80	*7.8
Ymir Yankee Girl	5c	.39	..

‡Interim. †Initial.
*Yield includes bonus.
•Includes 10c. interim paid Feb. 1.
¶In addition, the company has declared an increased dividend of 10 cents per share payable June 30, 1937.

This advertisement appears for purposes of record only, as 1,800,000 shares have been underwritten or optioned and a balance of 1,000,000 shares remain in the treasury.

ARMISTICE GOLD MINES LIMITED
(No Personal Liability)
Incorporated January 18, 1937, under The Ontario Companies Act.
PROPERTY: 500 acres (approx.) immediately adjoining Kerr Addison.
CAPITALIZATION:
Authorized: 5,000,000 shares of One Dollar each.
Issued for Property: 2,000,000 shares (of which 1,825,000 shares have been pooled).
OFFICERS:
SALTER A. HAYDEN, K.C., President and Director, Toronto, Ont.
E. D. LEVINSON, Vice-President and Director, New York, N.Y.
DOUGLAS G. H. WRIGHT, M.E., Director, Toronto, Ont.
CYRIL T. YOUNG, Director, Toronto, Ont.
L. I. HALL, Director and Secretary-Treasurer, Toronto, Ont.
Registrar and Transfer Agents: THE CHARTERED TRUST & EXECUTOR CO., Toronto, Ont.
Solicitors: McCARTHY & McCARTHY, Toronto, Ont.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OMEGA MINE 3 MILES
DOLOMITE
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FERNLAND HOLDING
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KERR-ADDISON-OMEGA MAIN DOLOMITE BELT
COMPOSITE MAP BY CYRIL T. YOUNG FROM GOV'T GEOLOGISTS & OTHER GEOLOGISTS' MAPS 1911 1933 1934 & 1936
ACCURACY OF COMPANIES NAMES APPEARING, PROPERTY LOCATIONS AND ACTUAL OWNERSHIP NOT GUARANTEED

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Several quartz veins have been uncovered, opened up by trenching and surface development on the Armistice property, the most promising of these showings being on that part of their large holdings where diamond drilling is now in progress and which is adjacent to Kerr Addison.

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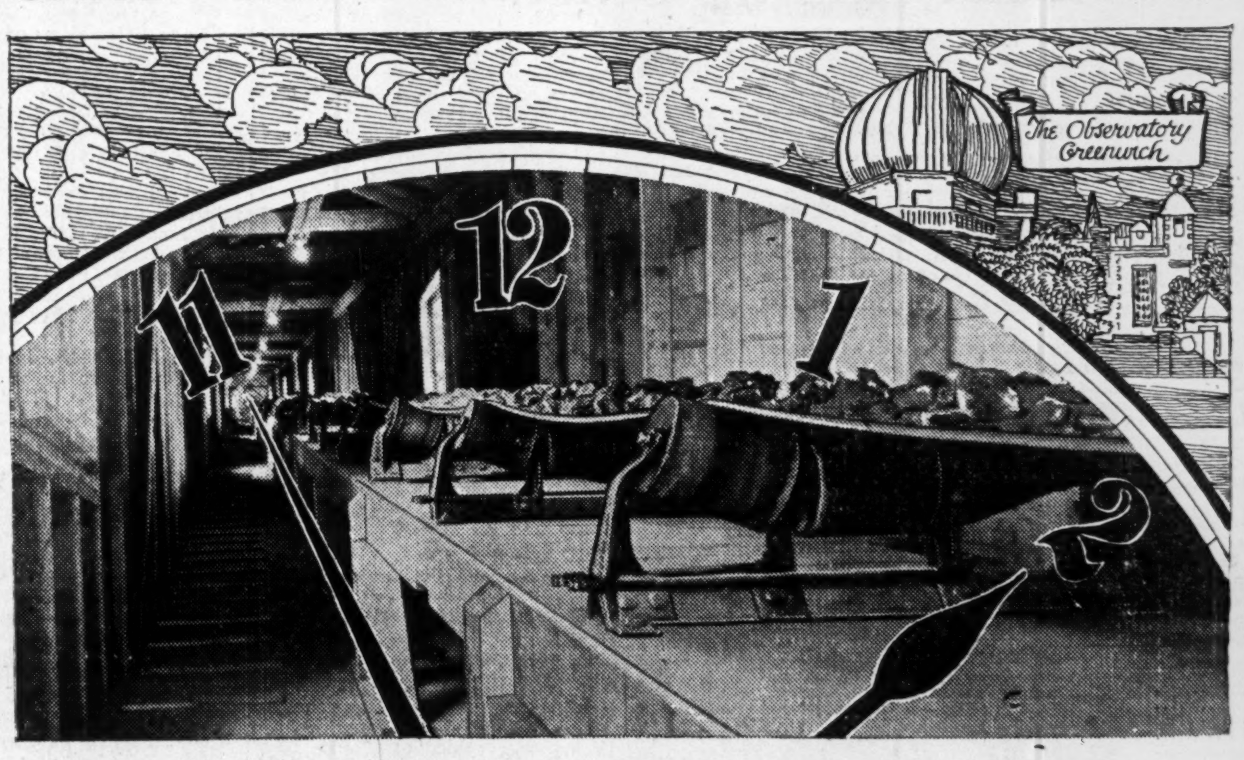

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Gold Shares and Rising Costs

Inflationary Tendency Presents New Problems for Investors in Gold Stocks

By WILFRID SANDERS

Senior gold stocks have, generally speaking, suffered small losses on Canadian Exchanges during the past week or so. While small, these losses appear to be of sufficient degree to warrant once more an examination of the gold share market, with a view to attempting an estimate of what the immediate future holds.

Discussion of the gold share market at the moment centres around the question of costs. There is, of course, ever present the question of future prices for gold. This matter, however, has been discussed many times. Accordingly it will be assumed here that the majority of observers are correct in their diagnosis, and that Canadian investors may be fairly certain of a continuance of $35 per ounce gold.

Less easily assumed, however, is the question as to how much it will cost to obtain this gold.

Not a Simple Problem

Since the boom of 1929, wholesale commodity prices reached their lowest point in Feb., 1933. In that month, index of the Dominion Bureau of Statistics reached 63.6 as against the 1929 high of 98.4. Since Feb., 1933, the trend has been generally upward, and the index now stands at around 85, with the upward trend still in effect. In other words, the purchasing power of the gold produced by the mines has been steadily declining for about three years, and is still shrinking.

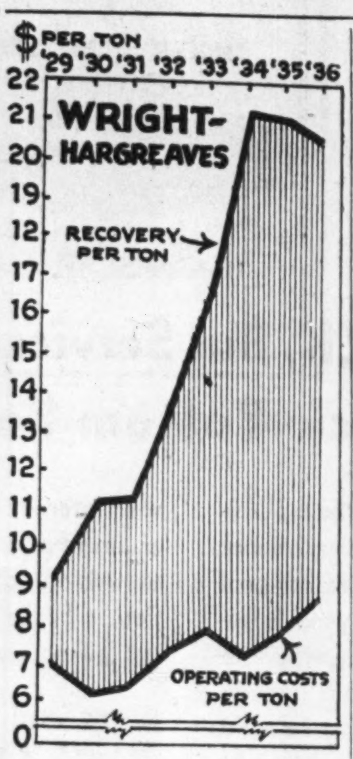
If gold mining were a less plastic industry, the result of this trend would be obvious. The margin of profit between operating costs and recovery per ton would be steadily declining. But it is not as simple as that.

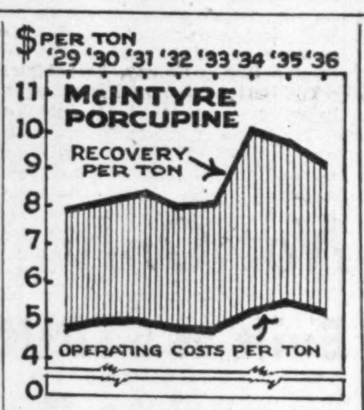
The charts accompanying this article show that recovery per ton varies greatly from year to year—varies within as broad a range, in fact, as costs per ton. There are also other factors to be considered.

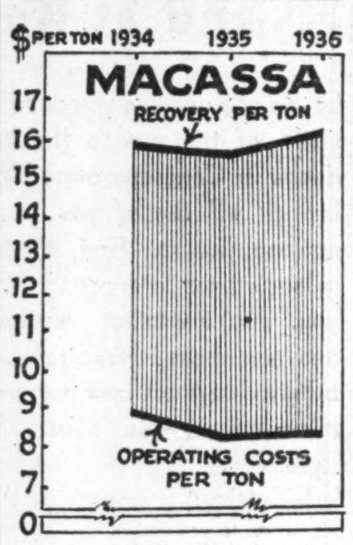
From these charts, and the accompanying table, the fact emerges that among the senior golds, operating costs (by which is meant all costs exclusive of depreciation and write-offs) have increased in the case of Hollinger, Dome and Wright-Hargreaves, and have declined in the case of Buffalo Ankerite, Howey, Kirkland Lake Gold, San Antonio, Siscoe, and Teck-Hughes. The latter company has included the treatment of tailings in its operating costs, which at least partly accounts for the decline. With the exception of Teck-Hughes, it can be said that in the case of the senior gold stocks, operating costs have tended to increase, and with the newer and intermediate golds, costs have been inclined to drop.

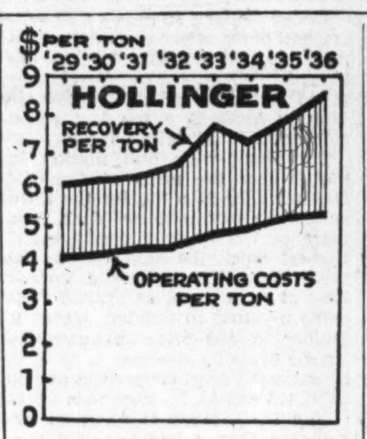
New Producers

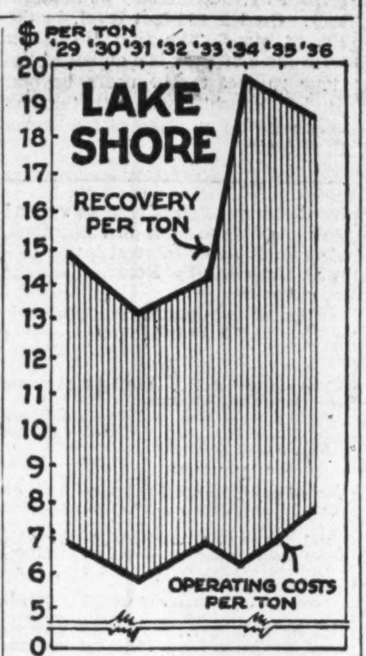
The reason for this difference is obvious. Initial costs of a new producer are always comparatively high, and during the first few years of production, the mill is, to use a miner's expression, getting the "feel of the ore." The first few years of production are years of continuous testing, until the most economical method of handling the ore is arrived at.











To this extent, the inclusion of the new producers in the table below tends to throw the average out of line.

There are two general factors in the operating cost level, labor and cost of supplies.

Labor Factor

In regard to labor, the Canadian mining industry is in a fortunate position. Because of the fact that, throughout the depression, gold mining was a prosperous industry, the wage level has been, compared with other industries, at a high level. While, therefore other industries are now faced with the problem of sharply higher payrolls, the mining industry can logically be expected to operate at a labor cost only slightly higher than that prevailing during the past few years.

Because of this fact, mine operators are not particularly concerned over the rising labor costs elsewhere.

Cost of Supplies

It is apparent, however, that such is not the case with commodity prices. It appears impossible to avoid the fact that in the next few years, rising costs of supplies will continue to take a larger and larger share of the price obtained for an ounce of gold.

It would, of course, be altogether too sweeping a statement to say that this will result in an all round reduction of earnings. Conditions vary greatly from mine to mine. Several of the leading Canadian producers have, since gold prices rose to $35 per ounce levels, been treating a lower grade ore, mined at less cost, from the upper levels of their mine. Sheer lack of this marginal ore will, eventually, force these companies to treat a higher grade of ore, thereby offsetting the rise in costs.

With such properties as Macassa, O'Brien and Siscoe, all of which have in the past year increased the average grade of their ores, the companies will be in a strategic position to offset rising costs by treating higher grade ore over the next few years. Dome, and Hollinger, are examples of those companies which are slowly completing their programme of cleaning up the lower grade ore in the upper levels, and treating a higher grade. Here again, the tendency toward higher costs is being offset.

There is another important factor which varies with each mine. Some companies, of which McIntyre Porcupine is the notable example, have sacrificed dividends to a policy of building up the working assets, by investment in other securities. Such companies have hedged against narrowing profit margins to a great degree.

Investors in gold stocks have still another source of reassurance, in face of rising costs, and that is the question of present yield. There are gold stocks today which are paying an attractive yield, by dividends which are earned with a comfortable margin. The following table shows some of the leading gold stocks, and their current yield:

Current Yields

	Rate	Close Mar. 8	Yield %
Buff. Ankerite	50c	11.00	4.5
Dome Mines	$2+$2	46.50	*8.6
Hollinger	65c+45c	14.50	*7.5
Lake Shore	$4+1	58.00	*8.6
Macassa	15c	7.40	2
McIntyre	$2	40.00	5
Premier	12c+1c	3.65	*3.5
Pickle Crow	20c	7.50	2.7
Reno	12c	1.18	10.2
Siscoe	20c+1c	5.50	*3.8
Sylvanite	20+5c	4.15	*6
Teck-Hughes	40c+5c	5.95	*7.5
Toburn	8c	3.65	2.2
Wright-Har.	•40c+20c	7.70	*7.8

‡Interim. †Initial.
*Yield includes bonus.
•Includes 10c. interim paid Feb. 1.

In the case of both Macassa and Pickle Crow, whose yields might appear on surface unduly low, it should be pointed out that at both these properties, ore developments on the lower levels, not yet reflected in earnings, are such as to justify the public in discounting future effect on earnings of this new ore.

The lesson which the table above contains is that, even admitting present earnings levels cannot be maintained in the face of higher operating costs, a stock such as Lake Shore can well afford to have its 8.6% yield reduced, and still be, in comparison with other investments, an attractive proposition.

Investors in gold shares should recognize that higher costs of supplies will affect the gold mining industry as a whole. However, they should bear in mind:

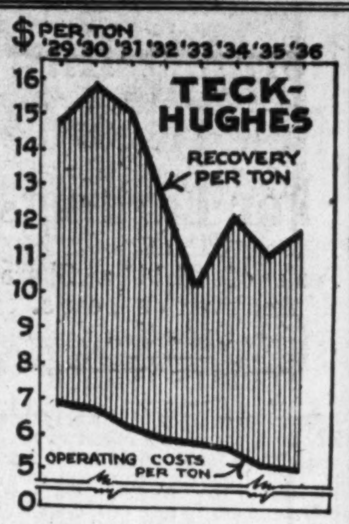
(a) Gold mines should not be affected by rising labor costs to the same extent as other industries.

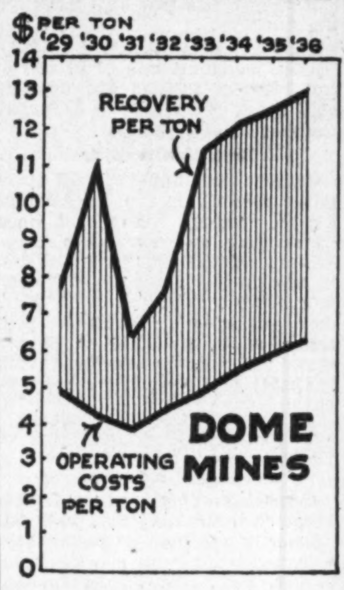
(b) In selecting gold shares at present, each company should be individually analyzed. Those companies become attractive whose ore conditions will allow for a higher grade of millfeed; whose cash and invested reserves serve as a hedge, and those companies which, being new producers, might be expected to improve the efficiency of their plant and methods.

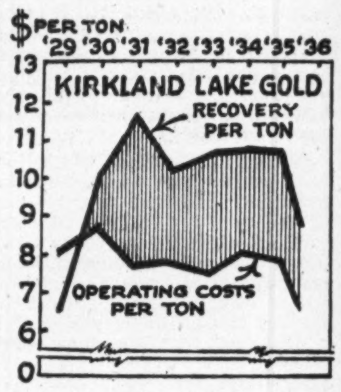
Production and Earnings Record

Company:	Recovery per ton				Operat. expen. per ton				Earnings per share				Dividends per share			
	1933	1934	1935	1936	1933	1934	1935	1936	1933	1934	1935	1936	1933	1934	1935	1936
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Buff. Ankerite	...	5.68	5.99	6.95	...	4.13	4.38	4.18	...	0.18	0.22*	0.59	0.08	0.16	0.20	0.20
Dome	8.28	12.78	13.27	13.06	4.70	5.41	4.14	6.44	3.28	4.07	3.90	4.26	1.95	3.50	4.00	4.00
Hollinger	7.98	7.36	8.00	8.60	4.60	4.27	4.59	5.31	1.17	1.32	1.03	1.18	0.85	1.40	0.90	1.10
Howey	3.98	4.04	3.28	2.45•	2.27	2.73	1.82	1.47	0.03	0.08	0.04	...	nil	0.10	0.05	0.04
Kirkland Lake	10.53	10.81	12.02	8.81	7.52	8.10	7.99	6.53	0.02	0.03	0.03	0.03	nil	0.03	0.03	0.06
San Antonio	11.81	11.59	10.97	9.06	7.36	6.08	5.40	4.76	0.09	0.13	0.20	0.15	nil	0.05	0.21	0.14
Siscoe Gold	16.78	17.05	15.25	13.40	7.25	7.17	7.40	6.81	0.19	0.26	0.23	0.24	0.14	0.19	0.21	0.21
†Teck-Hughes	12.94	12.94	11.83	11.79	5.74	5.54	5.17	5.06	0.67	0.63	0.49	0.50	0.60	0.60	0.40	0.45
†Wr.-Hargreaves	12.63	13.07	12.50	19.60	7.91	7.27	7.71	8.59	0.28	0.70	0.70	0.72	0.20	0.55	0.60	0.60
Toburn	17.80	19.52	19.94	21.00•	9.43	10.89	9.43	...	0.06	0.07	0.11	...	nil	0.08	0.08	0.08
Average	11.41	11.48	11.34	11.47	6.30	6.15	5.78	5.46	0.64	0.74	0.69	.95	0.63	0.66	0.66	0.68

• Estimated. * After merger. † Fiscal year ended Aug. 31.







Hedley Assays Still Mystery

Differences Puzzle B. C. Mines Ministers—See No "Salting"

From Our Own Correspondent

VANCOUVER. — Mystery still prevails in the Hedley Amalgamated Gold Mines scandal. Whether the drill cores were "salted" has not yet been determined, nor has any conclusion been reached as to the possibility of manipulation of the stock on "inside" knowledge. There has been considerable support for both these suggestions. G. L. Fraser is continuing his investigation under the Securities Frauds Prevention Act and probably will not make his findings public for some time.

Dr. W. B. Burnett, chairman of the B. C. Chamber of Mines, says that the mining industry will not be satisfied unless the matter is cleared up within a few days. In the meantime the mines market in Vancouver is stagnating through temporary loss of confidence by the public.

Assistant Appointed

R. H. Stewart, prominent mining engineer, formerly with Consolidated Mining & Smelting Company and more recently appointed managing director of Hedley Mascot Gold Mines, has been engaged as technical adviser to Mr. Fraser, and will supervise examination of the Hedley Amalgamated property. The company is now proceeding with the crosscut which is expected to expose the ground in which diamond drilling indicated rich ore. This should be completed within three weeks. Diamond drilling will be proceeded with, too, under direction of Provincial Government engineers.

Both George S. Pearson, minister of mines, and Dr. John F. Walker, deputy minister, are yet to be convinced that there has been "salting," although they admit being baffled by the discrepancy in assays.

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Sarmac Gold

Would you kindly give me some information about Sarmac Gold Mines. Is it considered a good investment?

Sarmac Gold Mining Corporation, whose head office address is in Montreal, is developing a gold prospect on the northeast Bay of Atigogama Lake, Sturgeon River area of northern Ontario. In former operations a vertical two compartment shaft was sunk to the 262-ft. level with 785 ft. of lateral work at 100- and 250-ft. levels, and some ore was shipped. Financing is at present being undertaken with the intention of carrying on exploration and development campaigns. So far this property has not emerged from the prospect class.

Big Missouri

I am interested in Big Missouri Mines and understand there is some development work being done at their properties. Since acquiring my shares I have learned that there are more than one million shares under option at 50 cents. Would the option tend to keep the market price of the shares down?

Experience has shown that if developments at a mining prospect continue normally, and continue to give normal results, the option on stock outstanding has little or no bearing on the price that the general public will pay for the shares. We see no reason why this principle should not apply in the case of Big Missouri Mines Corp. The stock being taken down by Consolidated Mining & Smelting Co. is, of course, spent on development work and is therefore, theoretically, adding to the equity of public shareholders. Development is being carried out in a satisfactory manner and the property is responding satisfactorily to development work. The mill, it is expected, will have an initial capacity of 500 tons per day which may be increased to 750 tons depending on the commercial relationship between fine grinding and recovery.

Mooshla Gold

We should be glad of your latest information regarding Mooshla Gold Mines.

Mooshla Gold Mines is developing a gold prospect of 54 claims in Bousquet Twp., Que. A shaft has been sunk and three levels established. Lateral work has been done, but not sufficient to supply any basis for an estimate as to this property's merits. While the property still remains a prospect, its development is in experienced hands and the financial sponsorship has been good. We would therefore, be inclined to classify this stock as one having speculative possibilities. The company has an authorized capitalization of three million shares of $1 par value of which, at last reports, slightly over two millions had been issued. Of the issued stock, 1.3 million shares are pooled to May, 1937.

Eldorado

I would appreciate information regarding Eldorado. Should I retain these securities?

Eldorado Gold Mines is pioneering the radium industry in Canada. At the present time the company's outlook appears to be more promising than a year ago. It is expanding its production facilities and orders for additional equipment which, when installed, will increase plant for mining development and milling operations at the company's mines by 20%, have been placed.

This stock, in our opinion, is still quite speculative. It should not be retained unless one realizes the speculative nature of the operation. Eldorado has not yet definitely established its ability to produce silver and radium from its remote properties at a profit, although preliminary results have been encouraging.

Chukuni Red Lake

I would be pleased to learn the present status and outlook of Chukuni Red Lake Mining Association.

Chukuni Red Lake Syndicate is not at the moment active on its gold prospect consisting of 12 claims in McDonough Township in the Red Lake district. A very limited amount of drilling was done late last year and the company reports that further work is planned in the spring. However, the syndicate has not issued any financial statement and we are unable to advise you as to whether or not such a programme could be financed.

O'Brien — Sheep Creek

I am intrigued by the possibilities of O'Brien Gold, and would like a résumé of the company's position and any other comment you may think pertinent. What do you think of Sheep Creek Gold?

O'Brien Gold Mines, which is a well-sponsored, well-managed operation, has had a phenomenally successful year in developing a high-grade ore body from the 5th to the 11th levels. It is very probable that this high-grade ore body will extend to the 13th level. Ore reserves as at Oct. 3, 1936, to the 9th level, were estimated to total 133,425 tons. Net profit of $144,181 in 1936, after taxes, was equal to 4.4 cents per share. Higher earnings of a substantial nature are indicated for the current year, due to the increasing proportion of high-grade millfeed and to the fact that the plant capacity was doubled, on Feb. 15, 1937. In addition, the company has a subsidiary operation at Cline Lake near Lochalsh, Ontario, where shaft sinking is under way. All reports from this property indicate that it is a promising prospect.

The advantages of O'Brien Gold Mines stock have been fairly well recognized by the public with the result that the stock, in our opinion, is amply discounting the improved position.

Sheep Creek Gold Mines is a producing property equipped with a 150-ton mill which went into operation May 22, 1935. Positive ore reserves have been estimated at 26,940 tons of 0.32 ounce grade. The company paid its first quarterly dividend of two cents a share on July 15, 1936, and a secondly quarterly payment of two cents was declared payable Oct. 15, 1936. The company's treasury is in fairly sound shape and the board of directors includes some well-known British Columbia business and mining men.

La Sarre Gold

I would greatly appreciate your report on LaSarre Gold Mines Ltd. Are the shares of any value or is there any prospect of their being worth much?

LaSarre Gold Mines has property consisting of a gold-vanadium chromium prospect in LaSarre Twp., Que. Some surface work has been done on about 2,000 ft. of diamond drilling. Our understanding is that the company plans to continue diamond drilling. To date results have been altogether too inconclusive to warrant an estimate of this company's merits.

Naybob Gold Mines

I am interested in Naybob Gold Mines. What is your opinion of the prospects of this company?

Naybob Gold Mines is developing a property in Ogden & Deloro Twp. about 3½ miles south of Timmins, Ontario. A shaft has been sunk to 719 ft. and six working levels have been established. At December 23, 1936, reserves were estimated at 150,000 tons grading $5 per ton. Whether or not this grade, which is not very high, would be commercial on a 100-ton operation has not yet been demonstrated. If widths are as good as officially claimed, however, this property probably has a chance.

As at November 28, 1936, the company reported cash on hand at $43,935 against current liabilities of $15,529. Sales of shares has realized $88,903 since the above date.

Astoria Rouyn

Is there anything doing on the Astoria Rouyn property? I hold some stock in this company, but have seen very little about it lately.

Astoria Rouyn Mines Ltd. holds a gold prospect of 310 acres in Rouyn Twp. adjoining Granada on the north and 400 acres in Loubicourt Twp. in northwestern Quebec. Surface exploration and diamond drilling have been carried out on the Rouyn property and in November of 1936 it was reported that the company would install a mining plant and sink a shaft to 200 ft. The same month it was reported that there was approximately $40,000 cash on hand together with some securities, with no liabilities.

B.R.X.—Madsen Red Lake

Please give me what details you may have on hand about B. R. X. I see it has undergone reorganization. What of Madsen Red Lake?

At last reports, B. R. X. Gold Mines planned to reorganize under the name of Aztec Mining Co. and it was pointed out that B. R. X. was a holding company whose assets consisted of B. R. X (1935) Consolidated Mines which was developing the B. R. X. Mines. At the time reorganization was proposed, it was pointed out by the company that the French Syndicate financing B. R. X. (1935) was maintaining payments under the option, and that a headframe and hoist were being installed to continue the shaft to 500 ft. at which levels veins would be opened up by a new programme of underground work.

Madsen Red Lake has given promising preliminary development results on its property in the Red Lake field. Last November the company reported to have approximately two million tons of possible ore indicated to the 1,000-ft. level averaging $5 to $6 per ton. The company is now sinking a shaft in this section to 600 ft., after which three levels will be put across. Operations are well financed, and, while this stock is still speculative, it appears to be a fair enough prospect.

Howey Gold

As Howey Gold is a low-grade operation, what can be done to improve its prospects? Is the company planning any expansion in other fields?

Although Howey Gold Mines has done an excellent job in operating at a profit on some of the lowest-grade ore in Canada, it is difficult to see how this company can expand operations or improve its earnings, other than by developing a profitable subsidiary. Recently, as part of its search for a subsidiary operation, the management assumed operating control of McCuaig Red Lake Gold Mines along with options on 1,000,000 shares of treasury stock. McCuaig has been giving encouraging preliminary results, although it still is a prospect. In the meantime, Howey is conducting further exploration on its own property.

Porcupine-Whitney Gold Syndicate

Please give me some information on Porcupine-Whitney Gold Syndicate, which I have seen advertised.

Porcupine-Whitney Gold Syndicate is capitalized at 50,000 units of $1 par of which 20,000 were issued and pooled as at Nov., 1936. The property consists of a gold prospect of nine unpatented claims approximately 360 acres in Whitney twp. Porcupine district of northern Ontario.

It was reported early in February that two wide zones were indicated by the survey for a distance of 2,000 ft. across the property, with a series of parallel zones. Work has been carried on for the past two months in an attempt to pick up an extension of the Pamour break. According to officials, 95% of moneys received has been budgetted for exploration.

Gold Eagle Mines

How do affairs stand with Gold Eagle just now? I should be glad to know your opinion of this property's outlook for the next few months.

Gold Eagle Gold Mines is developing a gold prospect in Dome twp., in the Red Lake area of northern Ontario, adjoining Mackenzie Red Lake. Development to date has been somewhat hampered by lack of electrical power. A shaft is now down to the 525-ft. level and the company plans, when power is available, to deepen this shaft to 1,000 ft. While a 100-ton mill has been discussed, it is obvious that a considerable amount of further development work will be necessary before this step can be taken. In the meantime, the affairs of the company are in experienced hands, and while it is still a speculative stock, it appears to have a chance. In September last, the company reported cash and bonds at $412,360 and other current assets of $6,989. Current liabilities at that time totalled $36,334.

Gunnar Gold

What are the prospects for the shareholders of Gunnar Gold? I understand the company has paid off the loan advanced to it.

Gunnar Gold started production on May 1, 1936. With a loan created a year ago to build the mill, now paid off, the mine is in a strategic position to add about $35,000 per month after expenses, to surplus account. Ore reserves at Dec. 31, 1935, were about 100,000 tons, of which 83,000 tons have been blocked out. While later figures are not available, it is apparent from development work that this figure will have been added to materially, when the annual report appears shortly. The management of this company is virtually the same as that of Eldorado Gold Mines. While still in the speculative class, this property appears to be in a fair way to begin returning to shareholders their original investment.

Placer Development Ltd. Share Offering Shortly

From Our Own Correspondent

MONTREAL. — It is understood Greenshields & Co., Montreal, will shortly make an offering of 30,000 shares of Placer Development Ltd.

This is one of the largest placer development companies in the world and was responsible for development of Bulolo Gold Dredging and Pato Consolidated.

Consolidated Gold Fields of South Africa, International Mining Corp. and other important mining companies are interested in the venture.

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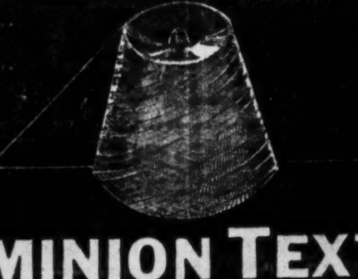

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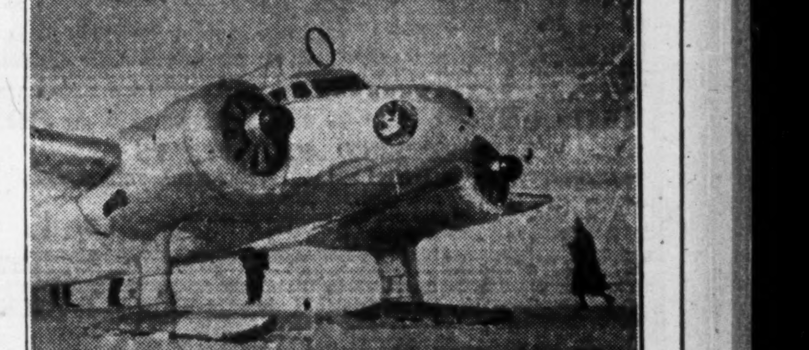

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Inco's Profit During 1936 $36 Millions

Production at New Peak as Expansion Continues

Net profit of $36,865,526 was earned by International Nickel Co. for the year ended Dec. 31, 1936. This compares with a net profit of $26,086,527 for 1935.

The sum of $8,446,639 was set aside for taxes, with $7,814,731 earmarked for depreciation, depletion and other purposes. After disbursement of $1,933,899 for preferred dividends there remained $34,931,627, equal to $2.39 per share on the 14,584,025 shares of common stock outstanding. This compares with $1.65 per share in 1935. The earned surplus rose from $44,094,494 at the close of 1935 to $59,896,144 in 1936. During the same period, cash increased from $30,473,311 to $44,871,895.

During the fourth quarter of 1936 a net profit of $9,836,446 was earned as compared with $9,572,106 in the third quarter. Figures for all four quarters show that the company's earnings available for common stock dividends were 54 cents, 59 cents, 62 cents and 64 cents per share, respectively.

President Robert C. Stanley reported that sales of nickel during 1936 were 30% greater than the volume reported for 1935, and that the sales of copper and platinum metals were also substantially greater than in any previous year and commanded better prices.

Peak Production Reached

Plants operated at capacity throughout and established an all-time peak production of metals.

"From an efficiency standpoint," says Mr. Stanley, "the results were gratifying and many economies were brought about. On the other hand, wages were increased, working hours were adjusted downward and higher prices were paid for materials. Furthermore, increases in income tax rates and levies of new taxes took a larger proportion of your company's profits than in preceding years.

"Extensions to the smelting works at Copper Cliff and the nickel refinery at Port Colborne, together with additions and betterments to plants in Great Britain and the United States, were largely completed toward the close of the year. This expansion programme entailed an expenditure of $11,202,266, and will increase productive capacity to more than 220 million pounds of nickel in all forms per annum."

Sales of nickel in all forms increased from 129,850,207 pounds in 1935 to 168,927,980 pounds in 1936, an increase of 30%. Estimated world deliveries of nickel in all forms from all sources during 1936 were slightly in excess of 200 million pounds, as compared with the estimate of 160 million pounds for the previous year.

Silver sales decreased from 3,160,222 ounces to 2,425,332 ounces, while sales of monel, the nickel-copper alloy made direct from Creighton ore, jumped from 13,411,624 pounds to 16,730,789 pounds or 24%.

An increase of 70% in the sales of pure rolled nickel is a noteworthy feature recorded by the report. Sales during 1936 totalled 15,856,614 pounds. Sales of the nickel-chromium alloy, Inconel, rose 20% to 731,952 pounds.

Copper sales jumped 14% to a total of 265,954,589 pounds, although, outside of the United States, there was no increase in copper consumption during 1936. The company sells no copper in the United States because of the American tariff of four cents a pound. Platinum metals increased in sales from 128,874 ounces to 220,980 ounces, and gold from 69,944 ounces to 73,142 ounces. Selenium sales rose to 107,791 pounds from 72,616 pounds in the previous year. Only 2,567 pounds of tellurium were sold as compared with 9,987 pounds in 1935.

Inclusion for the first time of the employees in two companies which in 1936 became wholly owned subsidiaries, with the increased scale of operations and construction work, substantially increased the number of employees.

At the year end, International Nickel had 15,433 employees. Of these, 9,837 were in Canada, 3,124 in Great Britain, 2,417 in the United States and 55 in other countries. The total compares with 12,453 on Dec. 31, 1935.

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1936 $	1935 $
Earnings	54,383,059	38,164,101
Less: Admin. & h.o. exps.	1,562,141	1,505,932
Inc. & franch. taxes	8,446,639	4,602,324
Net oper. profit	44,374,279	32,055,845
Add: Other income	305,978	502,605
Less: Deprec. & depl.	5,337,989	4,897,837
Int. pd. and accr.	......	193,429
Retire. res., etc.	2,476,742	1,380,657
Net profit	36,865,526	26,086,528
Less: Pref. divds.	1,933,898	1,983,899
Common divds.	18,951,620	10,933,627
Surplus for year	15,980,008	13,219,002
Add: Prev. surplus	*44,176,488	30,990,016
Less: Adj. for taxes	260,352	......
Prem. on debents. red.	......	114,525

* Including equity in surplus of Whitehead Metal Products Co. of New York, Inc., of $81,995.

Earns. per Share and Divd. Record:		
Common: Earned	$2.39	$1.65
Paid	1.30	0.75

Wages Boosted By Int. Nickel

Mine, smelter and refinery workers in Sudbury district and Port Colborne plants of the International Nickel Co. will receive an additional disbursement of $1.5 million annually as a result of the company's action in increasing wages by approximately 10%. This is the second increase announced by International Nickel within a few months.

Coupled with the announcement of the increase is the news that the Levack mine, closed since 1931, will be reopened.

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Noranda Hits New Record For Earnings

Peak of $4.14 a Share Achieved on Year's Operation

SURPLUS HIGHER

Earnings equal to $4.14 a share are shown in the annual report of Noranda Mines for the year ended Dec. 31, 1936. This compares with earnings of $2.63 a share during 1935, and represents a new high mark for the company.

Current assets amounted to $13,563,332, including cash of $2,800,413, call loans of $135,125 and marketable bonds and stocks of $3,663,994 (market value $4,921,000).

Best Profits Ever

Success attending the 1936 operations resulted in the largest profits the company has enjoyed since its inception, and returned to shareholders in dividends the largest sum in cash in any one year of Noranda's history, President J. Y. Murdoch points out. Dividends paid amounted to $6,719,316 or $3 per share last year as compared with $4,479,544 or $2 per share the previous year.

Surplus for 1936 was $2,548,720, as compared with $1,422,069 in 1935.

Copper Refiners

Operations of Canadian Copper Refiners in Montreal East were satisfactorily maintained during 1936 and resulted in the production of copper, gold, silver, selenium and telurium. Waite-Amulet Mines, which has resumed operations, is expected to become a substantial earner if current prices for copper and zinc are maintained at anywhere near present market prices, the report states.

Pamour Porcupine, in which Noranda holds a very considerable interest, is now milling over 700 tons of ore per day, with satisfactory earnings which are currently being used for mine development and plant expansion. Pending improved means of transportation, work on the Coffin Gilligan claims in Chibougamau district, to acquire which Norbeau Mines was incorporated in 1935, is being deferred.

Shaft has been completed to the first objective of 600 ft. on the property of Hallnor Mines, formed to acquire the Poulet Veteran claims adjoining Pamour Porcupine on the west. Development has been extensively carried out, and lateral work is now being done to determine the extent and value of the favorable showings indicated by the widespread diamond drilling programme on Hallnor.

Work on Bonetal Mines, formed to secure the Porcupine Creek claims adjoining Hallnor on the west, has been stopped for the present awaiting the results of exploration on Hallnor and the information which it is hoped will be obtained thereby.

Options were taken on four new properties. President Murdoch states that negotiations with the Quebec Government looking toward the development of Noranda Power Co., of approximately 30,000 horsepower per annum on the Upper Ottawa River in Quebec are still uncompleted.

The future for an average price of copper higher than that which has been maintained for several years is bright, adds Mr. Murdoch. This lends added interest to the picture presented by Noranda and its subsidiaries.

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1936 $	1935 $
Metal recoveries	18,315,356	14,741,960
Less: Operating expenses:		
Cost of metal prod.	6,729,584	6,937,499
Admin. & gen. exps.	228,969	259,126
Munic. corp. & sundry taxes	81,743	78,585
Net earns. from oper.	11,275,060	7,466,750
Add: Other income	349,332	318,909
Total income	11,624,392	7,785,659
Less: Depreciation	558,100	831,059
Outside explor. w/o	12,218	85,946
Res. for inc. & prod. taxes	1,786,038	967,041
Net profit	9,263,036	5,901,613
Less: Dividends	6,719,316	4,479,544
Surplus for year	2,548,720	1,422,069
Add: Previous surplus	9,328,764	7,667,224
Oper. res. not required	......	223,405
Selen. & tellur. recov., prior year	......	255,376
Trans. from invest. & conting. res.	......	100,000
Less: Addit. inc. tax, prior year	85,088	39,310
Res. for invest. in other cos.	......	300,000
Balance forward	11,792,396	9,328,764
Earns. per Share & Divd. Record:		
Earned	$4.14	$2.63
Paid	3.00	2.00
Shares Outstanding	2,239,772	2,239,772

J-M Consolidated Gold Recovers $42,000 in Feb.

From Our Own Correspondent

MONTREAL.—J-M Consolidated Gold Mines reports February production of $42,000 from 2,644 tons milled, with an average recovery of $15.89.

Underground development is described by the company as satisfactory. On the 625-foot level, in the No. 24 stope, "the first lift taken from the driftback has extended the stope 20 feet to the north beyond original expectations, with the last breast giving an assay of $59 across 22 inches."

Mining Companies Newly Formed

Dunford Rouyn Mines — Ont. incorp., Feb. 16, 1937. H. O. Toronto. Authorized cap., 3,000,000 shares, $1 par.

Goldstream Mining Co.—Ont. incorp., Feb. 3, 1937. H. O. Toronto. Authorized cap., 4,000,000 shares, $1 par.

Katherine Lead Mines — Ont. incorp., Feb. 5, 1937. H. O. Toronto. Authorized cap., $1,500,000, $1 par.

Lar-Add Mines—Ont. incorp., Feb. 19, 1937. H. O. Toronto. Authorized cap., 3,000,000 shares, par $1.

Lochgold Mines—Ont. incorp., Feb. 9, 1937. H. O. Toronto. Authorized cap., $3,000,000, $1 par.

Mace Gold Mines—Ont. incorp., Feb. 19, 1937. H. O. Toronto. Authorized cap., 5,000,000 shares, $1 par.

Marmora Minerals—Ont. incorp., Feb. 18, 1937. H. O. Toronto. Authorized cap., 3,000,000 shares, $1 par.

Montmorr Gold Mines — Ont. incorp., Feb. 5, 1937. H. O. Toronto. Authorized cap., $40,000, $1 par.

New Rouillard Gold Mines—Ont. incorp., Feb. 10, 1937. H. O. Toronto. Authorized cap., $3,500,000, $1 par.

Panamint Malartic Mines—Ont. incorp., Feb. 17, 1937. H. O. Toronto. Authorized cap., 3,000,000 shares, $1 par.

Shaver McGarry Gold Mines—Ont. incorp., Feb. 16, 1937. H. O. McGarry twp., Temiskaming district of Ontario. Authorized cap., 3,000,000 shares, $1 par.

Thomas Ogden Gold Mining Company—Ont. incorp., Feb. 10, 1937. H. O. Timmins, Ont. Authorized cap., 3,000,000 shares, $1 par.

Triple Lake Porcupine Gold—Ont. incorp., Feb. 6, 1937. H. O. Timmins. Authorized cap., 3,000,000 shares, $1 par.

Woco Gold Developments—Ont. incorp., Feb. 19, 1937. H. O. Toronto. Authorized cap., 3,000,000 shares, $1 par.

Surrender of Charter

North Deloro Mines—Has surrendered its charter as of March 15, 1937. Company incorporated March 19, 1924.

Tin Price Up On U.S. Buying

Purchase for Armaments Creates Heavy Demand in London

Under demand so heavy that sellers withdrew offers and trading almost stopped pending further advances in price, tin on the London Metal Exchange reached a 10-year high of $1,506.25 a ton last week, attributed to American buying.

The world-wide bull market in metals saw the price of domestic lead advance $5 a ton for the third successive day in New York to a price of 7.75 cents a pound there, highest since the first quarter of 1927. American domestic copper held at 16.25 cents, as against 17.45 cents a pound in London, March 9. Higher foreign price advanced domestic brass ingot prices ¼ to ¾ of a cent, and export copper was quoted at 17.475 cents c.i.f. European ports.

The U. S. Navy Department announced that it had awarded contracts covering 1,700,000 pounds of copper to Kennecott Sales Corp., American Smelting and Refining and Nichols Copper at prices varying from 16.21 to 16.425 cents a pound depending on the destination of the metal.

As a result of the three-quarter-pound rise in England, an increase in the price of American zinc was viewed as imminent. In London Metal Exchange trading copper made new highs since 1929 and lead and spelter (zinc) new highs since 1926.

Tin at London rose to approximately $1,505 a ton, equivalent to 66¾ cents a pound for the metal, which sold in the New York market around that level. Spelter and lead rose to levels approximately 130% and 125%, respectively, over the levels prevailing a year ago.

The heavy output of tin plate and purchases for armaments constituted the American demand for tin, in the opinion of British traders. As the American armament programme gathers momentum, the British look for further booms in metals generally. British armament makers continue their demand for metals.

Current Chatter From Manitoba

From Our Own Correspondent

WINNIPEG.—The new Island Lake property—Ministik Gold Mines Ltd.—is making fast progress according to Angus McDonald, Winnipeg barrister and secretary-treasurer of the company, who has just returned from a trip of inspection.

The site for the shaft has been spotted and work will commence immediately. It will be sunk to two levels as its first objective. Supplies and a carload of dynamite are already on the way.

* * *

Highland Enterprise

Highland Enterprise Mining Co. Ltd. has sent a crew of men, a surveyor and chainman to survey its holdings at Falcon Lake, just a short distance from the Ontario-Manitoba highway.

Officials of the company say arrangements have been made for financing mining operations through the disposal of a large block of its stock and they hope appropriations will commence in time to keep the present crew permanently employed and also to add largely to the number of men engaged. Highland Enterprise has some good gold showings and has already done a considerable amount of work.

Diamond Queen

Diamond Queen Mining Syndicate plans exploration of a group of 12 claims held on Bigstone Lake in the Oxford Lake Mining division of Manitoba. The claims are at the northeast end of Bigstone Lake and 190 miles in a direct line from Winnipeg. A considerable amount of work has been done on the property under direction of Gordon Reahill, one of the pioneers in the area. Assays are reported at something over $13 per ton.

New Phase in Gold Price Seen by Bullion Experts

In its annual bullion review for 1936, Samuel Montagu & Co., of London, expresses the opinion that "we are passing to a new stage in the development of managed currencies, where the Central Banks and the authorities are taking complete charge of the exchange rates and gold prices which used to be left to the free interplay of supply and demand."

The review points out that the restriction of the free market does not mean that the world movements of gold were not large in 1936. The losses of the Bank of France at times assumed huge proportions. The flow of gold to the United States continued to increase the already swollen reserves of that country. During 1936, too, a large addition was made to the gold reserve of the Bank of England.

Gold coins were in keen demand during 1936 among Continentals, who had previously bought bar gold more or less extensively because they lacked confidence in currencies and other forms of investment.

Reciprocal Agreements

The review regards as very important the development of the monetary agreement on Oct. 12, when the British Treasury announced that arrangements for technical co-operation with the monetary authorities in the United States had been completed. A new regulation made then by the Secretary of the United States Treasury would enable gold to be obtained in the United States in exchange for dollars by any country giving reciprocal facilities. The British Government and the Bank of France also arranged such facilities, to provide for effective co-operation between the three centres.

Dealing with the outlook for silver, Messrs. Montagu feel that it is somewhat obscure, and that India may again have to bear the main brunt of supporting the market.

Silver Decline Unlikely

"As regards the United States Government," says the review, "its attitude to world markets is problematical. Judging from the experience of the past year it is reasonable to assume that it would show interest in the market in the event of an important fall in the price. If this be so it would indicate the unlikelihood of any substantial decline."

The United States, in addition to domestic production, has taken the silver output of other producing countries. This London authority believes that it is extremely important that the United States continue to do so. Although it is understood that there are agreements in this respect, their terms have not been made known.

"It would seem that if Indian interest continues, prices may be fairly well maintained, and present conditions seem to indicate that movements may be confined to comparatively narrow limits, provided always that there is no change in the silver policy of the United States Government."

Bralorne Mines—Reports from British Columbia that February production amounted to 5,860 fine ounces from 13,290 tons treated. Preparations are now being made to permit sinking to 3,000 ft. To date the mine has produced 514,000 tons of ore, averaging 0.45 oz. gold per ton, of which only 100,000 tons have come from the Empire Mine section, which is now regarded as the main source of ore supply. The remainder came from the King Mine area.

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